

**BRITISH CONSULAR  
REPORTS ON THE TRADE  
AND POLITICS  
OF LATIN AMERICA  
1824-1826**

**EDITED FOR THE ROYAL HISTORICAL SOCIETY**

**BY**

**R. A. HUMPHREYS**

**M.A., PH.D., F.R.HIST.S.**

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## INTRODUCTION

THE Spanish empire in the new world was built on a gigantic scale. Even at the end of the eighteenth century, when Spain had been compelled to abandon her exclusive claims to the north-west coast of North America and had parted with the ill-defined area of Louisiana, she still held sway from California to Cape Horn. Even at the end of the eighteenth century Spanish America still remained a closed and almost an unknown continent to the rest of the world. Such longevity witnesses to the profound imprint of Spanish civilization in the New World, just as those colonial cities, dotted like Roman *coloniæ* at far-flung intervals, reveal in the magnificence of their ecclesiastical and domestic architecture the strong religious and cultural bonds between Spain and her colonies.

But the Spanish empire was not only vast and long-lived ; it was also fabulously wealthy. In the eighteenth century Spanish America still remained the world's greatest source of supply of the precious metals ; and it was not only a source of supply, it was also a market of vast potentialities. Yet Spain failed to exploit it and failed to participate in the commercial expansion of Europe. The stream of gold and silver which flowed from the New World itself contributed to the perversion of her economic development, and while she rigidly applied a monopolistic system, she lacked the economic organization successfully to enforce it. In the colonies themselves the most serious effects of this exclusive system were not the restrictions imposed upon colonial manufactures but the increasing insufficiency of legitimate sources of supply, and the rise of prices. The result was an enormous contraband trade.<sup>1</sup> Cause and effect moved in a vicious circle. The more debilitated Spain became, the greater grew the contraband ; the more the contraband, the greater Spain's debility and the weaker her empire.

<sup>1</sup> *Infra*, p. 29, n. 1 ; p. 111 ; p. 256, ns. 1, 2, and 3.

Well might it be said that Spain's enemies first exhausted her by plunder, then by trade.

It was true that Spanish commercial reforms in the eighteenth century, and particularly the economic and administrative reforms of Charles III,<sup>1</sup> breathed new life into the imperial system. Their effects on the volume of Spanish trade were striking,<sup>2</sup> but they came too late and they did not go far enough. In the colonies themselves they stimulated a sort of regional nationalism and a greater economic autonomy; they contributed, like the American and like the French Revolutions, to a freer play of ideas and a greater intellectual activity. They assisted the development of an increasingly self-conscious, moderately wealthy, moderately well-educated, creole bourgeoisie. And the control of Spanish American trade by a relatively small group of monopolists became yet more unbearable. But, what chance, given time and development, these reforms might have had of arresting foreign pressure on the empire, and the slender hope that by these means Spain herself would be able to participate in the great increase in the volume of international trade, were ruined when in 1796 Spain went to war with England for the fourth time in fifty-seven years, and, with a brief interval, remained at war for twelve years more. The colonies were thrown upon their own resources. A brief prosperity was succeeded by a profound depression. The exports and the revenue of Buenos Aires were temporarily shattered.<sup>3</sup> The viceroy of New Granada reported that contraband flourished to an extraordinary degree. Threatened on the northern border-lands by the territorial expansion of the United States, faced by the sea-power and the commercial expansion of England, the empire collapsed.

It was, however, Napoleon's invasion of Spain which precipitated the Spanish American Revolution. The nationalist monarchist movement in Spain was paralleled by a semi-nationalist, semi-monarchist movement in America. It began ostensibly as an assertion of freedom from French control.<sup>4</sup> It ended as a war of independence against Spain. That this was so was due partly to the action of the Spanish, partly to that of the colonial authorities, partly to deeper colonial conditions and aspirations. Like the earlier revolution in North America that in Latin America was not merely a struggle for home rule; it was also a contest as to who should rule at home. Proponents of different systems and advocates

<sup>1</sup> *Infra*, pp. 352-3; p. 28, n. 2.

<sup>2</sup> *Cf. infra*, p. 29, n. 2; p. 353.

<sup>3</sup> *Infra*, p. 31, n. 1.

<sup>4</sup> See *infra*, pp. 2-4.

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of rival theories contested the stage, and between the creole bourgeoisie, resentful of their exclusion from power, and anxious to seize the opportunities now offered of expanding markets and sources of supply, and the old Spanish oligarchy, the conflict deep and profound. It is notable that Mexico and Lima, strongholds of the monopolists, were the last parts of the empire to fall, and that from Caracas and Buenos Aires, where for trade and influence had most deeply penetrated, the revolution took its rise and drew its strength. Caracas gave Bolívar America, Buenos Aires gave San Martín. In the great struggle for independence these two figures, liberators of the north and the south respectively, stand out supreme.<sup>1</sup> The tasks, first to achieve freedom, then to organize that freedom, were stupendous. Their fulfilment by the Spanish Americans themselves is a legitimate source of pride to a people whose past has been too little understood and whose successes have been too little appreciated.

Between 1810 and 1830 the map of the New World was transformed. While the westward expansion of the United States advanced at a prodigious speed, the Spanish and Portuguese empires fell. Seventeen new republics<sup>2</sup> and one new monarchy were added to the number of independent States. This transformation marked a stage in the rising importance of the Atlantic basin. Henceforth to a degree unequalled before, the frontiers of the old world were to lie in the new. The door was open to foreign trade and capital investment, and the view was entrancing. In the years after 1815 a war-weary Europe saw in the fabled lands of the Spanish empire a new El Dorado. 'He must indeed be more than temperate, must be a cold reasoner,' said Brougham in 1817, 'who can gaze at those regions and not grow warm.' Interest in Latin America had been steadily increasing between the days of the Asiento at the South Sea Company,<sup>3</sup> of Anson and of Vernon,<sup>4</sup> and those of the invasions of Buenos Aires, and of Popham and Baird. With the revolution it became intense. It is doubtful whether there has ever been so general a demand in England for information about

<sup>1</sup> *Infra*, p. 90, n. 2; p. 107, n. 2; p. 226, n. 2; p. 253, n. 1. For the somewhat different course of the revolution in Mexico and Central America see *infra*, p. 289, n. 2; p. 300, n. 2. San Martín was not born at Buenos Aires, but his name is as closely associated with that city as is Bolívar with Caracas.

<sup>2</sup> For the confederation of the five Central American States see *infra*, p. 28

<sup>3</sup> *Infra*, p. 256, n. 1.

<sup>4</sup> *Infra*, p. 254.

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this vast area and, proportionately, so liberal a supply, as in the eighteen-twenties.

The transition from illegal to legal trade, from the closed to the open door, had come, indeed, at a most opportune time. Amongst the most immediate acts of the revolutionary juntas set up in Latin America was the opening of the ports,<sup>1</sup> and though tariff rates varied with bewildering rapidity, though trade was subjected to vexatious burdens and merchants to arbitrary restrictions, Latin America needed money and goods, and England was willing—only too willing—to supply them. As in the United States at the end of the nineteenth century, so in England at the beginning, capital looked abroad. It was true that from the Spanish point of view the Indies remained as closed as ever, and there was little to support Canning's contention that in 1810 permission to trade was conceded by Spain.<sup>2</sup> But Great Britain had begun to trade and that trade she would never forgo. By the eighteen-twenties both trade and capital investment were steadily increasing.<sup>3</sup> There was no important area in Latin America with which British merchants had not established contact. 'The power of England', observed a French traveller, 'is without a rival; no fleets but hers are to be seen; her merchandizes are bought almost exclusively; her commercial agents, clerks, and brokers, are everywhere to be met with . . .'<sup>4</sup> Englishmen and Scotsmen were interested in schemes for building docks and making gas, for founding agricultural colonies,<sup>5</sup> even for exporting milkmaids to Buenos Aires to make butter. South American loans, South American mines, South American trade—here were lotteries in which great profits were to be won—and large fortunes to be lost. Capitalists were eager to lend, merchants and manufacturers to trade, and the prospect of rehabilitating disordered mines stirred even sober imaginations.<sup>6</sup> The bubble burst at the end of 1825,—and the failure of the mining companies presaged default on the loans<sup>7</sup>—but by that time more

<sup>1</sup> For the opening of the ports see *infra*, p. 31, n. 2; p. 91, ns. 2 and 4; p. 127, n. 2; p. 275, n. 1; p. 302, n. 2.

<sup>2</sup> *Infra*, p. 257, n. 2.

<sup>3</sup> See the tables *infra*, pp. 344–51.

<sup>4</sup> G. Mollien, *Travels in the republic of Colombia, in the years 1822 and 1823* (London, 1824), pp. 215–16. Cf. *infra*, p. 23, n. 4; p. 26, n. 2; p. 36, n. 2; p. 91, n. 1; p. 124, n. 1; pp. 269–72.

<sup>5</sup> *Infra*, p. 45, n. 2.

<sup>6</sup> *Infra*, p. 51, n. 2; p. 95, n. 2; p. 154, n. 1; p. 220, n. 1; p. 321, n. 2.

<sup>7</sup> For the loans see *infra*, p. 24, n. 2; p. 99, n. 2; p. 118, n. 1; p. 230, n. 1; p. 325, n. 2.

than twenty million pounds sterling had been invested one way or another by British capitalists in Latin America.<sup>1</sup>

Liberalism and commercial expansion were united in the nineteenth century, and both were on the side of the new republics. Though the Latin Americans won their own independence, the resources of Britain's merchants and bankers, and still more the protection of her fleet, were of vital importance; and while Great Britain followed a policy of correct neutrality in her dealings with the new States, she coupled with a readiness to mediate on liberal terms between Spain and her colonies a plain intimation, made by Castlereagh in 1817, that force should never be employed against the colonies by any other State than Spain. From that moment the independence of Latin America was assured.<sup>2</sup> It was not, however, till 1822 that Great Britain recognized the flags of South American vessels, an act which constituted recognition *de facto*, and it was not till October 1823 that commissioners were appointed to go to Colombia and Mexico to ascertain the actual state of affairs in those two countries with a view to recognition *de jure*. At the same time consuls were appointed for Buenos Aires, Montevideo, Chile, and Peru, and to accompany the Colombian and Mexican commissioners. The Mexican Commission reached Mexico City on the 31st December, 1823. With 42 dozen of claret, 20 dozen of sherry, six dozen of hock and six dozen of French brandy,<sup>3</sup> the Colombian commissioners, on board *H.M.S. Isis*, reached Santa Marta on the 30th December. The consuls for Buenos Aires, Montevideo, Chile and Peru embarked on *H.M.S. Cambridge* on the 6th January, 1824, and anchored in the Río de la Plata on the 22nd March, their privations alleviated by the more temperate pleasures of 'hay tea', a 'beverage of his own invention,' which the consul-general for Peru had brought with him.<sup>4</sup> Recognition of Buenos Aires, Colombia and Mexico came in 1825, and it is

<sup>1</sup> L. H. Jenks, *The migration of British capital to 1875* (London, 1938), p. 64.

<sup>2</sup> Webster, *Britain and the independence of Latin America*, i. 14. For British diplomacy in this period and for the part played by Castlereagh and Canning in safeguarding Latin American independence I refer the reader to Professor Webster's masterly introduction to the documents collected by him on the diplomatic relations of the new States with Great Britain. The present collection, illustrating some of the forces behind diplomatic procedure, is complementary to his

<sup>3</sup> Planta to Hamilton, 31 Jan. 1824, F.O. 135/1.

<sup>4</sup> *Journal written on board His Majesty's Ship Cambridge*, p. 2.

significant that it took the form of the signing of commercial treaties dictated by Canning.<sup>1</sup>

Recognition was in part a bid for commercial supremacy and political prestige in Latin America. It was an answer to that earlier bid which the United States had made when, in December 1823, the Monroe doctrine was promulgated.<sup>2</sup> If Latin America was a European frontier, it was also an American continent. A century and a half of Anglo-French rivalry over the Spanish empire had ended. A century of Anglo-American rivalry over the trade and commerce of the new States had begun. From the first, both Great Britain and the United States maintained in Latin America the principle of the open door. Both were conscious of a certain community of purpose. But they were conscious also of great differences. To the desire of England to link the new States to Europe and Europe to the new States, the United States opposed the idea of an American system. Each feared the territorial expansion of the other. And to political rivalry there was added also commercial hostility. In part such commercial hostility was unreal. Not till the end of the nineteenth century did United States capital accumulate in sufficient quantities to look abroad to any considerable extent. Nor, at the beginning of the century, was there any very serious conflict between the trade of the United States and that of Great Britain. The United States exported in the main the products of the farm, Great Britain of the factory. Yet United States trade was considerable, and in shipping at least there was real competition. In 1824 United States tonnage exceeded British in the Río de la Plata, at Valparaiso, and at Vera Cruz, and, in Cuba, United States shipping left that of Great Britain far behind.<sup>3</sup> For the moment British trade, British capital and the British fleet were of more importance to Latin America than were those of the United States; but the rivalries of the eighteen-twenties foreshadowed greater rivalry to come.

\* \* \* \* \*

By the instructions given to the consuls whom Canning sent out to Spanish America, they were required to make general reports on the trade and commerce within their consulates, as well as

<sup>1</sup> Difficulties arose over the Mexican treaty through the action of the Mexican Government. It was not ratified by the British Government and a new treaty was negotiated in 1826.

<sup>2</sup> See Webster, *op. cit.*, i. pp. 19, 48-50.

<sup>3</sup> *Infra*, p. 37, n. 1; p. 47, n. 2; p. 81, n. 1; p. 94, n. 2; p. 314, n. 1.



routine half-yearly returns. On these reports would depend in part what States would be recognized. It is these general reports which are here printed. They are of unequal value. But I have preferred to make my collection complete within its limits rather than to make an arbitrary selection. Where, however, the report of a consul or vice-consul has been embodied in that of a superior officer, the report of the inferior has been omitted. In Chile and Peru, for example, the consuls-general included in their reports materials supplied by the consuls under them.<sup>1</sup> In Colombia, on the contrary, the consul-general failed to make a general commercial report, and the report of the consul-general for Mexico exists only in draft. There is no evidence that it was ever received.<sup>2</sup> For Colombia and Mexico, therefore, I have included the first available reports of the consuls at the sea ports. Not all these consuls, however, obeyed their instructions.

A *rapporteur*, G. A. Thompson, was also sent to Guatemala. His report fills a substantial part of one volume in the Foreign Office archives, and the appendices fill two more.<sup>3</sup> Happily almost the whole of this report is embodied in his *Narrative of an official visit to Guatemala from Mexico* (London, 1829); and the reader who is dissatisfied with Consul O'Reilly's meagre account<sup>4</sup> is directed to that interesting work. A report on Haïti, drawn up by Charles Mackenzie,<sup>5</sup> will be found in bulk, dated 30 November, 1826, in *Communications received at the Foreign Office relative to Hayti, Parliamentary Papers*, H.C. 7 (1829), xxiv. The situation in the old Portuguese colony of Brazil is outside the scope of the present work.

\* \* \* \* \*

I had hoped in this introduction to discuss at greater length the matter of the documents which follow. War-time duties now preclude any such extended undertaking. I can only hope that the reader may find the details in the notes a sufficient substitute for the guide with which I had intended to provide him in the

<sup>1</sup> *Infra*, p. 95, n. 1; p. 173, n. 4.

<sup>2</sup> *Infra*, p. 331, n. 1. The report of the Mexican Commission dated 18 Jan. 1824, is in Webster, *op. cit.*, 1. no. 228. It greatly disappointed Canning by its lack of detailed information. He was still more irritated by the absurdly meagre report of the Colombian Commission, dated 5 July 1824. *Ibid.*, i. nos 192, 195. On his return to London, one of the commissioners, Colonel Patrick Hamilton, drew up a more detailed report which gave greater satisfaction. Campbell to Planta, 6 Nov. 1824 (no. 1), F.O. 18/3.

<sup>3</sup> *Infra*, p. 290, n. 2.

<sup>4</sup> *Infra*, p. 289.

<sup>5</sup> *Infra*, p. 300, n. 1.

introduction. Text and notes I was able to check before the war began. I regret that the details in the list of consuls cannot now be made quite as complete as I could have wished.

The entire collection was intended to be preliminary to a larger study dealing with Great Britain and Latin American independence. I still hope that some day that intention may be realised.

To the officials of the Public Record Office I should like to express my appreciation of their invariable courtesy and infinite patience. I am indebted to Professor H. Hale Bellot for constant advice and encouragement ; and my thanks are due to Miss Dora Howard for assistance in the transcription of documents and to Miss Katharine Duff for help in reading the proofs. Dr. A. J. Walford has been kind enough to provide the index. I am indebted to him and to Mr. Godfrey Scheele for assistance with the map and to Messrs. George Philip and Son Ltd. for their kindness in reproducing it.

*June 1940.*

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# LIST OF CONSULS

Place.	Consul-General.	Consul.	Vice-Consul.	Appointment.	Retirement.
Argentina Buenos Aires	Woodbine Parish		Charles Griffiths Richard F. Poussett	10 Oct. 1823 10 Oct. 1823 10 Oct. 1823	1831 [Consul-General Haiti, 1831] [1828] 1832
Chile	Christopher R. Nugent		Matthew Carter Henry W. Rouse John White	10 Oct. 1823 10 Oct. 1823 10 Oct. 1823 15 Feb. 1825 18 Jan. 1827	1837 [Transferred to Valparaiso 1837] [1831] 1833
Concepción		Henry W. Rouse		15 Feb. 1825	
Coquimbo		Matthew Carter [Acting Consul, May 1824]			
Colombia	James Henderson			10 Oct. 1823 [New Commission 7 Nov. 1825]	1830
Caracas Cartagena		Sir Robert Ker Porter Edward Watts		15 Oct. 1825 10 Oct. 1823 [New Commission 7 Nov. 1825]	1841 1832
Guayaquil		Henry Wood		6 Jan. 1825 [New Commission 7 Nov. 1825]	Died 9 Aug. 1826
La Guaira Maracaibo		Walter Cope Thomas Tipper Robert Sutherland		20 Jan. 1827 10 Oct. 1823 10 Oct. 1823 [New Commission 7 Nov. 1825]	[1824] 1825 1832
Panamá		Malcolm MacGregor		10 Oct. 1823 [New Commission 7 Nov. 1825]	Died 22 Nov. 1832
Puerto Cabello		Gaspard A. Fauche		7 Nov. 1825 30 April [?] 1826	1828

Haiti Mexico Acapulco San Blas Xalapa and Vera Cruz	Santa Marta Guatemala	E. W. H. Schenley William Wall John O'Reilly Charles Dashwood	G. A. Fauche E. W. H. Schenley	9 June 1828 2 Nov. 1829 30 April 1825 26 April 1825 5 May 1828 5 July 1825	[Transferred to Haiti, 1829] Died Jan. 1828 [Transferred to Puerto Cabello, 1828] 1828
	Haiti	Charles Mackenzie E. W. H. Schenley		5 Jan. 1826 25 March 1829	
	Mexico	Robert P. Staples Charles Mackenzie Charles Dashwood	Eustace Barron James Stewart J. Smith John Welsh	10 Oct. 1823 10 Oct. 1823 2 June 1824 10 Oct. 1823 16 June 1826 24 July 1824 1825 Nov. [?] 1825 10 Oct. 1823	1837 1824 [1857] 1861 [1825] 1825 Nov. [?] 1825 Died 7 Dec. 1824
	Peru	Thomas Rowcroft Charles Milner Ricketts	Marcus Whyte Udney Passmore P. Kelly T. S. Willmott	5 July 1825 10 Oct. 1823 10 Oct. 1823 6 Jan. [?] 1825 6 April [?] 1825 15 Feb. 1825	[1827] 1830 Died 12 May 1824 1836 1829 [?] 1837
Arequipa Uruguay Monte- video		Udney Passmore Thomas Samuel Hood		10 Oct. 1823 [Consul-General 1830]	1843

N.B.—Some, but not all, of the Consular Commissions are in F.O. 18/1219.  
The Consular grants for 1824-30 are in Treasury 38/309.  
Dates in square brackets refer to the Consul's departure from his place of residence.

## GLOSSARY

<i>Alcabala</i>	. .	Tax on sales.
<i>Alcalde</i>	. .	Judge, justice of the peace, mayor, municipal or local officer.
<i>Almojarifazgo</i>	.	Import and export duty.
<i>Audiencia</i>	. .	Superior court of justice and its jurisdiction. In the Indies the <i>audiencias</i> had important administrative as well as judicial functions.
<i>Cabildo</i>	. .	Town council.
<i>Cabildo abierto</i>	.	Open meeting of the town council attended by the principal citizens.
<i>Caudillo</i>	. .	Chieftain, leader, boss.
<i>Consulado</i>	. .	Commercial court composed of a prior and <i>cónsules</i> , which combined the functions of a chamber of commerce with administrative and judicial duties.
<i>Fuero</i>	. . .	Privilege or exemption.
<i>Lavaderos</i>	. .	Sites at which gold, etc., may be obtained by washing.
<i>Porteño</i>	. .	Inhabitant of Buenos Aires.
<i>Vista</i>	. . .	Customhouse inspector.



## CURRENCY, WEIGHTS AND MEASURES

- Arroba* . . . A weight equalling 25 *libras*, the Spanish *libra* being roughly equivalent to the English pound.
- Carga* . . . A load or freight, varying in size.
- Cuadra* . . . 150 *varas*.
- Fanega* . . . Dry measure of capacity, varying in size. It is quoted at from 210 to 225 lb. in Buenos Aires, 153 lb. in Chile, and 135 lb. in Peru (pp. 44, 106, 115). Also a land measure, varying slightly, generally about 1.59 acres.
- Marco* . . . The mark equalled 8 Spanish ounces of silver and was the unit of weight at the mines. The Spanish ounce equalled 1.014 English ounces avoirdupois.
- Peso* . . . The dollar. The old *pieza de a ocho*, *peso fuerte*, or *peso duro*. The rate of exchange naturally varied considerably. For rough calculations it may be reckoned at 4s.
- Pesada* . . . A weight, usually equalling 35 lb.
- Quintal* . . . 4 *arrobas*.
- Real* . . . One-eighth of a dollar.
- Vara* . . . Unit of length, usually from 33 to 34 inches.

## LIST OF ABBREVIATIONS

- A.H.R.* . . . *American historical review.*
- A.S.P.F.R.* . . . *American state papers. Class I. Foreign relations.*  
6 vols. (Washington), 1832-59.
- B.F.S.P.* . . . *British and foreign state papers.* Compiled by the  
Librarian and Keeper of the Papers, Foreign Office,  
1825-
- D.H.A.* . . . *Documentos para la historia argentina.* Facultad de  
filosofía y letras, Buenos Aires, 1913-
- E.H.R.* . . . *English historical review.*
- H.A.H.R.* . . . *Hispanic American historical review* (Durham, North  
Carolina), 1918-22, 1926-
- Manning . . . *Diplomatic correspondence of the United States con-  
cerning the independence of the Latin-American  
nations.* Selected and arranged by William R.  
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### NOTE

Capitalization and punctuation have been modernized. The original spelling is retained except in cases of manifest and inadvertent error. Marginal annotations which add nothing to the text of the documents have not been printed.

# BRITISH CONSULAR REPORTS ON THE TRADE AND POLITICS OF LATIN AMERICA, 1824-1826

## I. RIO DE LA PLATA (ARGENTINA)

[F.O. 6/4.]

Woodbine Parish<sup>1</sup> to George Canning.

No. 31.

Buenos Ayres, 25 June 1824.

In my despatch No. 12<sup>2</sup> I mentioned that M. Rivadavia<sup>3</sup> had promised me some materials for the formation of a general report upon the state of this Government. I have lately received through him several notices thereupon,<sup>4</sup> which have enabled me to draw

<sup>1</sup> 1796-1882. Appointed consul-general at Buenos Aires on 10 Oct. 1823. Chargé d'affaires 24 May 1825-16 Sept. 1826, and 31 July 1828-11 Oct. 1831. Negotiated and signed the treaty of 2 Feb. 1825 between Great Britain and the United Provinces of Río de la Plata. Returned to England in 1832. There is a life of Parish by Nina L. Kay Shuttleworth, (1910).

<sup>2</sup> 25 April 1824, F.O. 6/3.

<sup>3</sup> Bernardino Rivadavia, 1780-1845; secretary of war and then of the treasury to the first triumvirate, instituted in Sept. 1811, and subsequently triumvir; commissioner to Europe, 1815-20; secretary of government and foreign affairs, July 1821-May 1824; envoy to Great Britain and France, 1825; president of the United Provinces, Feb. 1826-July 1827.

<sup>4</sup> A report on the government and institutions of Buenos Aires was drawn up for Parish by Ignacio Núñez, then an under-secretary. Núñez afterwards accompanied Rivadavia to England and there published his report, with considerable additions, under the title of *Noticias históricas, políticas, y estadísticas, de las Provincias Unidas del Río de la Plata* . . . London, 1825. An English translation appeared in the same year, and a French edition in 1826. Cf. Núñez to Parish, 15 June 1824, F.O. 354/7; Parish to Núñez, 27 June 1824, F.O. 354/3.

up the paper which I have the honor to enclose, and which will be found to contain a general summary of the rise and progress of this State since the first declaration of its independence in 1810.<sup>1</sup>

By the next packet I hope to be able to send you the report upon commercial matters<sup>2</sup> to which I have alluded in the same despatch.

### General report on the rise and progress of the present government of Buenos Ayres.

The history of the revolution which has taken place in the provinces of South America which formerly belonged to Spain comprises a space of nearly fifteen years.

The origin of the events which have separated her colonies from Spain may be traced to a variety of well-known causes. Oppressed, misgoverned, [and misguided] as they long had been, it was not to be expected that [in this enlightened and liberal age]<sup>3</sup> they could much longer continue in the state of [degraded and odious] subjection in which they had been hitherto held. The world had long foreseen that sooner or later their emancipation [from such a situation] must take place; yet still, the South Americans would hardly perhaps have thrown off their allegiance to Spain when they did, but for the immediate interposition and assistance of unlooked for circumstances, and collateral causes. Had Spain continued to possess the means of maintaining her antient authority, she might probably for some time longer have retained her influence in the western hemisphere, but the calamitous circumstances which over-

<sup>1</sup> 25 May 1810, on which day a junta at Buenos Aires displaced the authority of the Viceroy, is commonly regarded as the beginning of Argentine independence. In December this junta was enlarged and in Sept. 1811 it was replaced by the first triumvirate. The first triumvirate gave way to the second in Oct. 1812, and this in turn was replaced by the directorate in Jan. 1814. The office of director had been exercised by six different persons when a Congress of 32 deputies meeting at Tucumán appointed Juan Martín de Pueyrredón (*infra*, p. 6, n. 1) supreme director on 3 May 1816, and on 9 July promulgated a Declaration of the Independence of the United Provinces of South America. A more general account of the history of this period will be found in Kirkpatrick, *History of the Argentine Republic*, pp. 59-130, and a more detailed in Levene, *History of Argentina*, pp. 220-99. The Declaration of Independence is printed in Kirkpatrick, p. 241.

<sup>2</sup> *Infra*, no. II.

<sup>3</sup> The passages in square brackets have been scored through in pencil.

turned her Government, and destroyed her power at home,<sup>1</sup> left the distant colonies to their own discretion and resources. The helpless situation of Spain, and the avowed intentions and overtures of France,<sup>2</sup> drove them into measures which it would appear were first only adopted for their own internal security, and as a defence against foreign aggression and usurpation. The ties which bound them to the mother country were not at once broken asunder, and it is worthy of observation that when necessity drove them to establish their first provisional juntas,<sup>3</sup> as loyal a feeling was displayed in the colonies as in any part of Spain itself, the misfortunes of the royal family were apparently equally deplored, and exertions were made in all of them for the support of the royal cause.

But it was impossible for the colonies, when left to themselves with the rest of the world for the first time opening to them, to shut their eyes to their own abundant means and resources, or long to remain blind to the conviction of the advantages which must result to them from the adoption of the more liberal institutions of free Governments. Nevertheless, for a considerable period, to protest against the old system of Spanish misgovernment, and to urge the Cortes<sup>4</sup> to redress their long standing and well known

<sup>1</sup> Charles IV abdicated on 19 March 1808, and Ferdinand the Well-Beloved was forced to renounce the throne on 10 May. On 6 June Napoleon proclaimed Joseph Bonaparte King of Spain and the Indies. The famous revolt in Madrid, which was the prelude to the national uprising against the invader, had already occurred on 2 May.

<sup>2</sup> Letters and proclamations were sent out by Napoleon to the Spanish officials in the Indies, and expeditions to Mexico and Buenos Aires contemplated. The agents sent to Caracas were driven from the city by an infuriated mob on their arrival in July 1808; and the Marquis of Sassenay, dispatched to Buenos Aires in May, was expelled by the Porteños and imprisoned by the authorities at Montevideo. Miller, *Memoirs of General Miller*, i. 359; Marquis de Sassenay, *Napoléon I et la fondation de la république Argentine* (Paris, 1892), pp. 145-55, 188-91; W. S. Robertson, 'The juntas of 1808 and the Spanish colonies', *E.H.R.*, xxxi (1916), pp. 573-5, 584.

<sup>3</sup> The Viceroy of New Spain summoned a junta which met at Mexico City on 9 Aug. 1808; the *audiencia* of Chuquisaca deposed its president on 25 May 1809, and there were various disturbances at Buenos Aires in 1808 and 1809. The principal juntas, set up in the name of Ferdinand VII, were as follows:—La Paz, 16 July 1809; Quito, 10 Aug. 1809; Caracas, 19 April 1810; Buenos Aires, 25 May 1810; Santa Fé de Bogotá, 20 July 1810; Santiago de Chile, 18 Sept. 1810.

<sup>4</sup> The Cortes of Cádiz, summoned by the Regency which had been set up in Jan. 1810, met on 24 Sept. of that year, and its sessions continued till 14 Sept. 1813. The Americans had 29 representatives. It was responsible for the celebrated constitution of 18 March 1812.

grievances appears to have been the main and only avowed object of the South Americans.

Unhappily for the interests of Spain, those well founded representations were worse than unattended to, and complaints unheard, grievances unredressed, and the most aggravating and obstinate policy on the part of the Cortes,<sup>1</sup> unsupported by those measures or even the means requisite to enforce it, could not but produce a breach between the mother country and her transmarine subjects, which, too late, it was found impossible to close.<sup>2</sup> Mediation was obstinately declined,<sup>3</sup> and the South American provinces in the natural course of events were lost to Spain.

In the viceroyalty of Buenos Ayres, public opinion was long undecided as to the course to be adopted. Some were for maintaining the authority of a Viceroy under restrictions; some were for the establishment of juntas, and others were bold enough to advocate the doctrines of absolute independence. The opportunity, however, for innovations and improvement was not to be lost, and most opinions met upon the necessity of adopting a more liberal system. Improvements began, innovation produced innovation, and step by step a state of things gradually arose which ere long appeared to contain elements for the formation of a free government. The foundation of independence was laid; the enthusiasm of the people was excited; the remembrance of their grievances was before them; and the impolitic conduct of the Cortes was only wanting to drive them to the last step of a formal declaration of that independence which they fancied themselves qualified to enjoy.<sup>4</sup>

But though the doctrines of liberty were declared, it was soon

<sup>1</sup> Notably, the demands of the Americans for equal representation, for free trade, and for the abolition of government monopolies were alike rejected. On the legislation and attitude of the Cortes see A. F. Zimmerman, 'Spain and its colonies, 1808-1820', *H.A.H.R.*, xi (1931), pp. 448-55; and Walton, *Exposé of the dissensions of Spanish America*, pp. 282-9.

<sup>2</sup> Before the Cortes met the Regency had decreed the blockade of Caracas (31 Aug. 1810) and Venezuela declared her independence on 5 July 1811. Walton, *op. cit.*, app. p. x; and *infra*, p. 273, n. 2.

<sup>3</sup> For the proffered English mediation in 1812 and the attitude of Cádiz see Webster, nos. 493-508.

<sup>4</sup> However impolitic the conduct of the Cortes may have been, that of Ferdinand VII on his restoration in 1814 was infinitely worse. There was no declaration of independence in the La Plata region till 1816, though the acts of the constituent assembly which met in Jan. 1813 certainly implied independence. On the work of this assembly see Varela, *Historia constitucional*, ii. 268-303. Its sessions, together with those of succeeding congresses, are printed in Emilio Ravignani's great work, *Asambleas constituyentes Argentinas*

found to be no easy task to establish a government for a people brought up in such a state of servility and debasement as hardly to have a distant notion of the blessings of free institutions. Bigotry and ignorance, prejudices and interests, all combined to encrease the difficulties of the undertaking. Neither were the higher orders much better qualified to carry into effect the principles they had advocated. Their want of education, their confused ideas, and, comparatively speaking, their general incapacity, produced a chaos of wild opinions and an inability of measures, from the effects of which time only, and dearly bought experience, has since been able to extricate the country. The very leaders of the revolution one by one abandoned in despair their hopes of establishing any permanent system. As new opinions arose and were promulgated the difficulties encreased, and the circumstances of the country soon became beyond the controul of its rulers. Disappointed at home, they became mortified that their exertions remained unnoticed or unassisted from abroad. They felt themselves abandoned to their fate, and to a state of the most discouraging uncertainty as to the future. Some of the old Spaniards made an effort to regain the influence of the mother country, and the war began: and such were the circumstances under which the long struggle for the establishment of an independent Government commenced in the provinces of La Plata.<sup>1</sup>

Immediate danger united men whose opinions on details might differ, and the efforts of all were directed to the maintenance by the sword of that independence which they had solemnly advocated. In 1816 a General Congress of Deputies convoked at Tucuman from the free provinces, established a species of National Government and nominated a Supreme Director.<sup>2</sup> Up to 1820, however, the history of these provinces comprises little but a series of military operations. The most complete success at home emboldened them in the end to extend their operations, and the Buenos Ayrean troops finally established the independence of Chile, and hoisted the patriot colours in the capital of Peru.<sup>3</sup> The successes of their

. . . (Instituto de Investigaciones Históricas de la Facultad de Filosofía y Letras, Universidad de Buenos Aires, Buenos Aires, 5 vols., 1937-8).

<sup>1</sup> In point of fact, Buenos Aires had waged almost continuous war on two fronts since 1810. For the real circumstances under which the struggle for independence began see the references *supra*, p. 2, n. 1.

<sup>2</sup> *Supra*, p. 2, n. 1. It was the assembly of 1813, not of 1816, that created the directorate.

<sup>3</sup> *Infra*, p. 90, n. 2; p. 107, n. 2.

armies have been splendid and extraordinary, but a review of their internal government for the first ten years presents nothing but a picture of anarchy and confusion. The passions of men, and ambition of ruling, arose with military fame, and the chiefs, by turns availing themselves of the unsettled state of opinions and of the government, plundered the resources of the State, sacrificed the public interests, and tyrannized over the people.

The mal-administration of public affairs arrived at its height under Puyrredon, the last of the directors. The profligacy, venality, tyranny, and corruption of this Directorship by degrees excited the discontent, and roused the general indignation of the whole country.<sup>1</sup> Puyrredon was driven from the government, and the Directorial System abolished; and when it was afterwards discovered that the General Congress (which, since their meeting at Tucuman in 1816, had removed to Buenos Ayres) had connived with Puyrredon in the scheme for raising a throne for the Prince of Lucca,<sup>2</sup> the Congress was dissolved, and all its members shared

<sup>1</sup> Juan Martín de Pueyrredón (1776-1850) was supreme director from May 1816 to June 1819, when he was succeeded by General José Rondeau. The office of director was not abolished till Feb. 1820. By way of contrast to Parish's judgment, which, it is interesting to notice, he does not repeat in his *Buenos Ayres and the provinces of the Río de la Plata* (1852), pp. 85-6, I quote the words of Varela, *Historia constitucional*, iii. 209, 'San Martín, Belgrano y Pueyrredón, tienen, sobre todos los demás próceres argentinos, la inmensa ventaja de no haberse sentido contaminados por la influencia de los partidos en que se dividieron los mismos argentinos, ni haber sido perturbados un solo instante por ambiciones personales ó por intereses bastardos.' Faced with a difficult external and internal situation, Pueyrredón did everything in his power to assist San Martín in his organization of the great army of the Andes which was to liberate Chile. Varela discusses his work in *ibid.*, iii. 182-211.

<sup>2</sup> Carlos Luís de Borbón, nephew of Ferdinand VII. Pueyrredón favoured Louis Philippe, duke of Orleans. Lucca was suggested by the French Government, and the suggestion was well received by Pueyrredón's successor, Rondeau, and by the Congress of Tucumán. The story of these monarchical designs is told in detail in Villanueva, *Bolívar y el General San Martín*, pp. 90-160, and in Mario Belgrano, *La Francia y la monarquía en el Plata* (1818-1820) (Buenos Aires, 1933). See also Webster, i. 30, and *B.F.S.P.*, vi. 1085-1100. These schemes were only the last in Buenos Aires, if the most serious, of several fruitless monarchical plans. Since 1814 Rivadavia had been engaged in Europe in negotiations for the establishment of a constitutional monarchy under a Spanish prince. He had approached Charles IV, through an intermediary, on behalf of the Infante Francisco de Paula, and had then gone himself to Madrid. From Madrid he proceeded to Paris to further the cause of Louis Philippe. Rivadavia's activities, partly discussed in Villanueva, *op. cit.*, have been more fully revealed in Mario Belgrano, *Rivadavia y sus gestiones diplomáticas con España, 1815-1820* (2nd ed., Buenos Aires, 1934);



in the public odium attached to the Government and the adherents of that individual. Out of these discordant elements a state of confusion and disorganization arose in 1820 which threatened annihilation to all hopes of the establishment of any permanent system of order.<sup>1</sup>

The idea of forming a monarchy was decidedly reprobated. It was universally felt that such a Government would neither be consistent with the interests or with the inclinations of the people of these provinces. Their population is thin<sup>2</sup>; the habits of the people are plain and unaddicted to show or expense; with moderate fortunes, a great equality exists in their conditions; and their pursuits are almost wholly commercial, agricultural or pastoral. With such a people the expense and ostentation of a court would ill agree. They are unanimous in opposing the notion of such a form of government, and the general tone upon the question is, that should a monarch be ever forced upon them, he must bring with him an army of foreigners to maintain his authority. Nothing, indeed, I believe, would so immediately tend to produce a renewal of all that anarchy and confusion of the first ten years of the revolution, as the revival of any serious proposition from Europe to this effect. The consequences of an arbitrary monarchical government have been too deeply felt here to be easily forgotten. The antient Spanish system is always before their eyes, and the propositions which have been successively made to them for the

E Ravignani, ed., *Comisión de Bernardino Rivadavia ante España y otras potencias de Europa, 1814-20*, (2 vols., Instituto de Investigaciones Históricas, Buenos Aires, 1933-6), and W. S. Robertson, *France and Latin-American independence* (Baltimore, 1939), pp. 158 ff.

<sup>1</sup> The opposition between Buenos Aires and the provinces which had been erected or had erected themselves out of the old viceroyalty is one of the fundamental facts of early Argentine history. The situation was already dangerous when in April 1819 the Congress at Buenos Aires promulgated a highly unitary constitution which presupposed a large degree of centralisation. The jealousies of the provinces, fearful of the power and influence of Buenos Aires, as well as of the monarchical designs of the Government, were at once intensified, and the constitution provided the immediate occasion or excuse for that 'anarchy of 1820' which swept away the National Government. The *caudillos* of Entre Ríos and Santa Fé marched against the Director and defeated him at Cepeda (1 Feb. 1820); the congress and directorate vanished and only a rudimentary federation, adumbrated in the Treaty of Pilar (23 Feb. 1820), remained. Cf. Varela, *Historia constitucional*, iii. 265-8, 348, and Ravignani, *Historia constitucional*, i. 301-38, 373. Buenos Aires and Santa Fé were at war within four months of the signing of the treaty.

<sup>2</sup> *Infra*, p. 16.

establishment of a kingdom, first for the Princess Carlotta,<sup>1</sup> then for the prince of Lucca, for the duke of Orleans, and for the Infant Francisco de Paula,<sup>2</sup> all, it must be recollected, members of the Bourbon family, have only tended to remind them of their former sufferings under that dynasty.

The year 1820, as I have before said, was a reign of anarchy in Buenos Ayres; the general government was broken up; and the military chiefs by turns assumed the directing authority.<sup>3</sup> The provinces became alarmed at their own disorganized state; they separated from each other, and assumed each the attitude best calculated for the maintenance of its respective independence. Lamentable was the state of disorder which prevailed for upwards of twelve months throughout the union; but at length affairs reached their worst. The crisis arrived, and all who had interests or property at stake became alive to the danger which menaced the State. Disorder had reached its climax, passion had had its reign, and at last all parties opened their eyes to the disorganization and confusion which prevailed, and to the necessity of adopting some efficacious measures for a beneficial change.

Under these circumstances the present government was formed.<sup>4</sup> It was at first projected to convoke again the General Congress,<sup>5</sup>

<sup>1</sup> Carlota Joaquina, sister of Ferdinand VII and wife of the future João VI of Portugal, at the time prince regent in Brazil. Carlota claimed to rule over South America in the name of her father. The intrigues of this designing woman with a group of exiles from Buenos Aires at Rio de Janeiro and at Buenos Aires and Montevideo are discussed by J. M. Rubio, *La Infanta Carlota Joaquina y la política de España en América, 1808-1812* (Madrid, 1920). Ruiz-Guiñazú, *Lord Strangford y la revolución de Mayo*, pp. 80-94, describes the romantic rôle played by Admiral Sir Sidney Smith.

<sup>2</sup> *Supra*, p. 6, n. 2.

<sup>3</sup> The province of Buenos Aires appears to have had at least 24 governors in the one year 1820. Antonio Zinny, *Historia de los gobernadores de las provincias Argentinas* (5 vols., 'La Cultura Argentina', 1920-1), ii. 20-43.

<sup>4</sup> The provincial government of Buenos Aires under Martín Rodríguez (Sept. 1820-April 1824) and his successor, Juan Gregorio de las Heras. Rodríguez appointed Rivadavia his secretary of government and foreign affairs, and Manuel José García (1784-1848) his secretary of the treasury. The reforms which Parish now describes were in the main due to Rivadavia's initiative.

<sup>5</sup> In the midst of the 'anarchy of 1820' both Buenos Aires and Córdoba advocated the meeting of a general congress, though they differed on its place of meeting. On 24 Nov., through the mediation of the governor of Córdoba, a pact was signed between Buenos Aires and Santa Fé, and it was agreed that a congress should assemble in the city of Córdoba. Buenos Aires accepted this result with a bad grace, and it was not until March 1821 that deputies from

but the state of anarchy which prevailed not only in Buenos Ayres, but in all the other provinces, had attained such an extent that upon consideration it was deemed quite impracticable to attempt at once any general reform of the whole. The Buenos Ayreans determined therefore, and wisely, to confine their attention in the first instance to a reform of their own affairs and the formation of a good provincial administration. Towards the middle of 1821 this plan was carried into full execution, and the present Government began its labours. The Representative Assembly established, and the executive authorities appointed, a radical and systematic reform commenced which has produced in little more than three years results beyond the most sanguine expectations. From a state of anarchy and confusion the people of Buenos Ayres are now raised to a prosperity hitherto unknown to them, and are at present in the enjoyment of the blessings of a good, well organized, and stable Government. Experience has taught them to be wise, and the wild opinions and visionary theories which marked the first years of the revolution have yielded to the more solid proofs of practical demonstration. Necessity has taught them the value of their natural resources, and the miseries of anarchy have proved to them the blessings of order.

The new Government, by a wise and liberal policy, have gained the confidence of the country, and fully deserve that support which all classes in the State are disposed to give them. Under the following heads will be found a short recapitulation of some of those institutions which they have established or promoted, and which will give them a claim to the eternal gratitude of their countrymen.<sup>1</sup>

Buenos Aires actually arrived in Córdoba. R. Levene, *La anarquía de 1820 en Buenos Aires desde el punto de vista institucional* (Buenos Aires, 1933), pp. 151-6, 184-8; Ravignani, *Historia constitucional*, i. 339-42; ii. 123-74. For the later history of this congress see *infra*, p. 16, n. 1.

<sup>1</sup> In British Museum, Add. MSS. 33545, fos. 596-7, is a letter from Rivadavia to Jeremy Bentham, dated 26 Aug. 1822, which I cannot forbear to quote. 'Depuis le dernier instant', writes Rivadavia, 'que j'eus l'honneur de passer avec vous, il y a plus de 18 mois, je n'ai cessé de méditer vos principes en matière de législation; et à mon retour ici j'ai éprouvé une satisfaction bien grande en voyant les profondes racines qu'ils jetaient et l'ardeur de mes concitoyens à les adopter. Vous verrez, Monsieur, que le Règlement de notre chambre des députés ci-joint, que j'ai eu l'honneur de lui proposer et qu'elle a sanctionné dans une de ses séances, est entièrement basé sur les incontestables et frappantes vérités contenus dans votre ouvrage sur la Tactique des Assemblées Législatives, et dans la chaire de droit civil que j'ai fait instituer se professent les principes éternels, démontrés si sagement, dans votre cours de Législation. . . . Aussi donc vous saurez que je me suis

In the first place, it was unanimously determined that the province could only be governed by a *representative system*, and the necessary laws were passed accordingly for the formation of a Representative Assembly, fixing its constitution and numbers, the mode of elections, and the right of general suffrage. It was decreed that the Assembly should consist of 49 members, 24 for the city, 24 for the country, and one for the settlement on the coast of Patagonia. Of this number it was subsequently determined that one half should be annually renewed by fresh elections. The Assembly meets on the 1st of May of every year, and continues its sittings until the business of the session is concluded. They elect their own President. The ministers of the government are allowed seats in the Sala to give them an opportunity of proposing laws and of affording explanations, but they have no vote, and are not representatives.

The *executive power* was placed in the hands of a Supreme Governor assisted by his ministers; the governor to be elected every three years by a majority of the assembly; the ministers to be three, for the departments, 1<sup>st</sup> of government and foreign affairs, 2<sup>dly</sup> of war, and 3<sup>dly</sup> of finance. They are appointed by the governor, but are responsible servants of the country, and subject to impeachment by the members of the assembly.<sup>1</sup>

The formation of the new Government was immediately followed by some enactments which obtained for it at once the respect and confidence of the people.

By a law passed in September 1821 the *inviolability of private* appliqué à reformer les anciens abus de toute espèce, qui pouvaient se rencontrer dans l'administration; à empêcher que d'autres s'établissent; à donner aux séances de la chambre des représentants la dignité que leur convient; à favoriser l'établissement d'une Banque Nationale sur des bases solides; à réformer, après leur avoir assuré une indemnité juste, les employés civils et militaires qui surchargeaient inutilement l'état; à protéger par des lois repressives la sûreté individuelle; à ordonner et faire exécuter des travaux publics d'une utilité reconnue; à protéger le commerce, les sciences et les arts; à provoquer une loi, sanctionnée par la chambre, qui réduit de beaucoup les droits de douane; à provoquer également une réforme ecclésiastique bien nécessaire et que j'ai l'espérance d'obtenir: en un mot à faire tous les changements avantageux que l'espérance de votre honorable approbation m'a donné la force d'entreprendre, et me fournira celle d'exécuter.'

<sup>1</sup> Enclosures —(i) Decree on the Character of the Junta of Representatives, 3 Aug. 1821; (ii) Law of Elections [14 Aug. 1821]; (iii) *Reglamento que establece el orden de las operaciones, y la policía de la sala de representantes de la provincia de Buenos Ayres* . . . 26 July 1822. See the discussion of these laws and of the Ley del Poder Ejecutivo, 23 Nov. 1822, in Ravignani, *Historia constitucional*, i. 351-5; ii. 90-117. Though there were 24 representatives for the city, there were only 22 for the province.

*property* was declared, and the resources and expenditure of the State were submitted to the sole surveillance of the Assembly of Representatives, without whose authority it was decreed that neither the levy of taxes or contributions of any kind, or any appropriations of the public funds, should be considered legal. This law was subsequently specially extended to the property of foreigners residing in the country.<sup>1</sup> It has been productive of the best effects, and has given rise to a great increase in the value and stability of all kinds of property in this country, which had hitherto been subject for many years to the most arbitrary, and frequently to the most unjustifiable exactions. It had been the practice of the Government formerly to raise forced contributions and loans as they might need pecuniary resources, and this was done upon almost every occasion with partiality, the sums required being levied sometimes on the old Spaniards, on particular classes, or on particular districts, just as it might happen to suit the caprice of the parties in power; and this was an additional incitement to the ambitious or avaricious to throw the State into continual alarms by their intrigues for a short lived power in the government, of which they might avail themselves to vent their illwill upon their enemies, or to enrich themselves at the expense of the public. Nothing tended so much to keep up party dissensions, to create animosity towards the government, or to throw it into odium and disrepute. No one felt himself secure. The greatest properties, especially those of the old Spaniards, were destroyed. Foreigners had nothing to trust to, and in fact all classes sooner or later felt the bad effects of so pernicious a system.

The law thus providing for the security of property was followed by an Act of *General Amnesty*,<sup>2</sup> by which all those individuals who had been previously banished or obliged to fly from their country on account of their political opinions were permitted to return. By this, all parties were conciliated, for in the numerous changes which had taken place in the persons exercising the Government since the revolution, banishments, both forced and voluntary, had been so common that there were few families of influence but had some connections or friends from whom they were not separated by political causes and circumstances.

<sup>1</sup> Enclosures :—(i) Law establishing the inviolability of property, 5 Sept. 1821; (ii) Extension of above decree to all property in the province, whatever its ownership, 21 June 1822.

<sup>2</sup> Enclosure: Ley de Olvido, 7 May 1822.

An *Official Gazette* was next instituted, in which all the acts of the Government were laid before the public.<sup>1</sup> This was a new measure, and obtained for them a very general degree of confidence.

But the most striking change which has been effected at Buenos Ayres is that with respect to *religious opinions*. The power of the priesthood under the dominion of Spain was almost absolute, and the most intolerant doctrines of the Catholic religion alone were promulgated and severely maintained. Freedom of conscience and of opinions has arisen out of the revolution, and although it is true that the liberty upon those points, which is at this moment enjoyed generally throughout the province of Buenos Ayres, is not yet confirmed by law, it is quite sufficiently established *de facto*, and public opinion has been gradually prepared by the liberal plans of the present Government for its forming a part of the fundamental laws of the State. The last blow has been recently given to the great and unconstitutional power and property of the clergy<sup>2</sup>; and of the numerous church establishments formerly existing in Buenos Ayres two convents only, of very inconsiderable and fast decaying fraternities, at present remain.

No measure, however, of this government is of greater consequence than its exertions for the *promotion of education*. The Department of Government, as it is called, has in the last three years especially taken under its direction the establishment and promotion of a system of general instruction. In every district throughout the province a public school has been established; twenty more have been founded in the city of Buenos Ayres, chiefly upon the Lancasterian principle,<sup>3</sup> besides colleges for the instruction of moral and natural sciences, and a University for the clergy; the whole of which institutions are maintained at the public expense.<sup>4</sup>

<sup>1</sup> Enclosure :—Decree relative to the establishment of the *Registro Oficial*, 24 Aug. 1821. Official decrees had from time to time appeared in the *Gaceta de Buenos Aires* (1810–21), in the *Redactor de la Asamblea* (1813–15) and in the *Redactor del Congreso Nacional* (1816–20). There are facsimile editions of each of these periodicals.

<sup>2</sup> The law of 21 Dec. 1822 which abolished the personal *fuero* of the clergy, suppressed the tithe, reformed ecclesiastical administration and reduced the number of religious houses is in the *Registro Oficial*, ii, no. 1643.

<sup>3</sup> The Lancasterian system of education was introduced into South America by James Thomson. See his *Letters on the moral and religious state of South America, written during a residence of nearly seven years in Buenos Ayres, Chile, Peru, and Colombia* (London, 1827). For the educational reforms in Buenos Aires see Ingenieros, *La evolución de las ideas Argentinas*, i. 381–5.

<sup>4</sup> The University of Buenos Aires was inaugurated on 12 Aug. 1821. Ingenieros, *op. cit.*, i. 410.

By the same department of the government an extensive library of about 20,000 volumes has been opened to the public,<sup>1</sup> which is well arranged and is daily encreasing; and several scientific societies have been formed.<sup>2</sup>

It is gratifying to observe that upon these points the enlightened views of the Government appear to be amply met by a very general taste and desire for improvement amongst all classes and ages. It is a new feeling in this country, and acts with the greater force after the state of ignorance and seclusion in which the people had been so long kept under the old Spanish system, under which even the importation of books, excepting upon religious subjects, was utterly prohibited, and education, excepting under the interested influence and direction of a bigotted clergy, was unknown. Parents are now striving who shall give the best education to their children, and with this motive many of the first families have sent theirs to England and to France. Amongst the former are to be found two sons of M. Rivadavia and the eldest of the late governor General Rodriguez.<sup>3</sup>

The *liberty of the press*, and the *toleration of religious opinions*, has added much to the present taste for general information and literature. Seven newspapers are published in this city, and are the organs of the feelings and sentiments of all parties in the province<sup>4</sup>; the measures of the Government are freely discussed in them, and often with considerable ability and useful reasoning. The publication, too, of the debates in the Assembly of Representatives excites a spirit of public feeling and emulation which must ultimately be beneficial to the State.

Considerable pains have been taken to produce a reform in the *administration of justice*, where it is much wanted. The people are fond of litigation, and the slow process of the courts, and their tardy decisions, are almost an indirect encouragement to the ill-disposed to violate their engagements, and often the laws themselves. Though slow, some progress has been made towards

<sup>1</sup> The library, which later became the National Library, had been founded by Mariano Moreno and opened in 1812. It had over 17,000 volumes by 1823. See J. T. Revello, 'La Biblioteca Nacional de la República Argentina', *Revista de Historia de America*, no. 2 (Mexico, 1938), p. 69.

<sup>2</sup> See Levene, *History of Argentina*, pp. 367-8.

<sup>3</sup> Martín Rodríguez (1771-1845), *supra*, p. 8, n. 4.

<sup>4</sup> Besides the *Registro Oficial* and the *Registro Estadístico* may be mentioned *El Argos de Buenos Ayres*, *La Abeja Argentina*, *El Nacional*, *El Ambigú*, *El Centinela*, and *El Republicano*.

improvement, and the judges, at least at present, are exempt from the imputation of that venality and corruption which is said to have formerly had a very general influence over their decisions. The Government anxiously watches every opportunity of ameliorating the laws and are shortly about to enter into the question with more attention than their other avocations have hitherto permitted. The internal police has been placed upon an excellent footing, and preserves order and tranquillity throughout the city. Justices of the Peace are established in every district of it, who are authorized to take immediate cognizance of all petty offences, in which they are assisted by an active and recently organized body of constables. The same class of magistrates is appointed to reside in every district throughout the province of Buenos Ayres, and they have done most essential service.<sup>1</sup> The same attention to internal regulation has led to the establishment of excellent public hospitals, and several other useful institutions, amongst which perhaps the Foundling Hospital, from its arrangement, and the Vaccine Establishment, from its extent and success, are most worthy of notice.

Such are amongst the many enactments and regulations of the present Government for the promotion of the internal economy, peace, and welfare of this State.

With respect to what may be called their *exterior relations*, it should be premised that the government set out with a determination to limit their present attention and operations to the province of Buenos Ayres alone. They considered that by giving their first cares to the establishment of a good system and a good example in their own State, they would in the end be best able to promote the general good of the rest. Their own success, they felt, would most easily prove to the other provinces of the union the advantages of steadily applying themselves each to their own internal re-organization, and best prepare them for a meeting once more of the General Congress, and for the final establishment of a national government for the whole of the Confederated Provinces of La Plata.

Experience has fully demonstrated the policy of this course. By a steady application to her own affairs and resources for the last three years, Buenos Ayres is now prepared to take her proper station in any Congress of the provinces of the union, whilst the

<sup>1</sup> By decree of 24 Dec. 1821 the *cabildo* of Buenos Aires was suppressed. The political rôle that it had played could no longer be tolerated. The same law laid the foundation of a judicial and police system. See Ravignani, *Historia constitucional*, ii. 110-15.



provinces, on their part, have now no longer an hesitation in giving to Buenos Ayres that confidence and that preference and lead<sup>1</sup> which the good state of her government, the power of her resources, and the natural position of her territory, decidedly give her the right to expect, and which it is certainly so essential for the general benefit of all should be conceded to her.

*The confederation of these provinces*, which originally in General Congress declared their independence in 1810,<sup>2</sup> may be said to have ever since that period virtually existed, except in those districts in Upper Peru in which the Spaniards have always maintained themselves,<sup>3</sup> and in the Banda Oriental, of which the court of Brazil has taken possession.<sup>4</sup> Upon all essential matters, especially the carrying on the war against the Spanish authorities, and the preservation of their independence of Spain, their union de facto has been constantly maintained. Petty jealousies, separate interests, and some partial dissensions upon minor details, a want of internal organization in each, which the unsettled state of the country, from the continuance of the war in Upper Peru, has constantly kept up, joined to some extravagant pretensions to a superior authority on the part of the Buenos Ayreans in the outset of the revolution, have hitherto retarded the full and beneficial effects which might have been anticipated from any General Congress.

In 1820 the deputies of the United Provinces, who, after their declaration of the independence of the country in Congress at Tucuman, continued their sittings at Buenos Ayres, broke up from causes before adverted to, and all hopes of their re-meeting with effect seemed for a time paralyzed. But, on the formation of the

<sup>1</sup> The decided character of this opinion is interesting. It had some foundation. The Quadrilateral Treaty of 8 Feb. 1822 between Buenos Aires, Santa Fé, Entre Ríos and Corrientes, had recognized not only the necessity of summoning a General Congress but also that Buenos Aires was the only place in which it could meet. (Art. 13.) *Registro Oficial*, ii, no. 1572. And with one exception the provinces agreed in 1824 that the Congress should meet in Buenos Aires. But they also safeguarded themselves. Varela, *Historia constitucional*, iii. 424-5; iv, nos. 83, 84. Cf. also Levene, *History of Argentina*, p. 368.

<sup>2</sup> 1816.

<sup>3</sup> An expedition sent to Upper Peru in 1810, after initial victory, was repulsed at Huaqui on 20 June 1811. General Belgrano advanced to Potosí in 1813, but was forced to withdraw and in 1815 a fresh expedition to Potosí met with disaster at Sipe Sipe (23 Nov.).

<sup>4</sup> *Infra*, no. IV.

new Government at Buenos Ayres, an object of such primary importance was far from lost sight of. The consideration of the question was only delayed to be the more effectually brought into operation whenever it might appear that time and circumstances had sufficiently paved the ways. In the meantime, the Buenos Ayrean deputies at Cordova were instructed to suggest for the preliminary consideration of the other provinces, 1<sup>st</sup>, the future mode of carrying on the general elections, and 2<sup>dly</sup>, the selection of the most proper place for the meeting of the General Congress whenever it might be convoked.<sup>1</sup>

After nearly four years of patient and indefatigable attention to their own internal affairs, the time for that meeting seems now universally admitted to be arrived; and the instructions given to Mr. Zavaletta<sup>2</sup> (of which a copy is annexed), upon the occasion of his being sent in May of last year upon a mission to the other provinces of the union, will best show the steps taken by this Government to promote their immediate meeting, and the principles and objects which it is desirous should be determined upon in limine as the basis of their General Confederation.

The provinces have agreed upon the principle of electing a representative for every fifteen thousand persons,<sup>3</sup> on the following calculation of their respective population, viz. :—

Buenos Ayres	170,000	Cordova	80,000	St Iago del Estero	50,000
Santa Fé	10,000	Rioja	20,000	Catamarca	35,000
Entre Rios	25,000	San Luis	25,000	Tucuman	38,000
Misiones	6,000	San Juan	26,000	Salta and Jujuy	65,000
Corrientes	20,000	Mendoza	30,000		

making a total of about 600,000 souls.<sup>4</sup>

<sup>1</sup> Cf. *supra*, p. 8, n. 5; p. 15, n. 1. Though deputies from Buenos Aires had arrived at Córdoba in March 1821, the Congress found difficulty in organizing; and after the appointment of Rivadavia as secretary of government the powers of the Porteño deputies were so curtailed that it was obvious Buenos Aires would take part in no congress not held more under her immediate influence. The only result of this abortive Congress was a postal convention concluded between Buenos Aires and Córdoba in Dec. 1821. The history of the Congress is fully discussed in Ravignani, *Historia constitucional*, ii. 178–208.

<sup>2</sup> Instrucciones que deben regir al Diputado de este Gobierno cerca de las demás Provincias de la antigua Unión, el primer dignidad de Presbítero, Presidente del Senado del Clero Doctor Dn. Diego Estanislao de Zavaleta. These instructions, dated 30 May 1823, are printed in *D.H.A.*, xiii. 228–32. The general congress of the United Provinces began its sessions on 6 Dec. 1824.

<sup>3</sup> This was the basis established in the Estatuto Provisional of 1815 and the Reglamento Provisorio of 1817. Cf. Varela, *op. cit.*, iv. no. 82.

<sup>4</sup> The above, with the exception of Misiones, which is a territory, form the 14 provinces of modern Argentina. There are no reliable statistics for their

The provinces in Upper Peru, of Potosi, Chicas, Charcas, Cochabamba, La Paz, and Misqué, which were formerly attached to the viceroyalty of Buenos Ayres, and which since the revolution have remained principally in the hands of the royalist chiefs, have been estimated at about 400,000 persons<sup>1</sup>; and Paraguay, which was also a dependency of the same government (and which, having at an early period of the revolution declared itself a separate independent State, has been since closed in a most extraordinary manner to all foreigners by the present director, or dictator, as he is now called, Don Gaspar de Francia) is supposed to contain nearly 200,000 more.<sup>2</sup>

population in this period, and no national census was taken till 1869. The following estimates afford some basis of comparison. Unless otherwise stated they are for approximately the same area.

- (i) Brackenridge (1818), 550,000, (including the Banda Oriental). *Voyage to South America*, II. 47.
- (ii) Graham (1818), 489,000–523,000, (excluding Santa Fé, Entre Ríos, Corrientes and Misiones). Manning, I. 494; *A.S.P.F.R.*, IV. 227.
- (iii) Parish (1836), 600,000–675,000. *Buenos Ayres and the provinces . . .* (1839), p. 393.
- (iv) Parish (1847), 820,000. *Ibid.* (1852), p. 417.

I give the following comparisons for what they are worth

Buenos Aires.—1818, 105,000–120,000 (Graham).  
 1824, 163,216. Town, 81,136; country, 82,080 (Núñez,  
*Account of Río de la Plata*, p. 214)  
 1836, 180,000–200,000. (Parish [1839], p. 393.)  
 1847, 320,000 (*Ibid.* [1852], p. 417.)

Provinces, excluding the riverine provinces (Buenos Aires, Santa Fé, Entre Ríos, Corrientes and the territory of Misiones).—

1818, 384,000–403,000 (Graham).  
 1824, 369,000 (Text).  
 1836, 340,000–385,000 (Parish).  
 1847, 410,000 (Parish).

See also *infra*, p. 34. The above figures do not include the uncivilized Indians, whom Graham estimated at about 160,000.

<sup>1</sup> These provinces represent the old *audiencia* of Charcas, which was attached to the viceroyalty of La Plata on its foundation in 1776, and were to form the modern Bolivia. See *infra*, p. 208, n. 1. The figure suggested by Parish of course excludes the Indians. The estimate of Graham in 1818 was 444,000. Manning, I. 494. But see *infra*, p. 208, n. 4, where the population is more fully discussed.

<sup>2</sup> On 24 July 1810 an assembly convoked by the governor of Paraguay, Don Bernardo de Velasco, declined to recognize the superior authority of the junta of Buenos Aires. In the following year Velasco was deposed and Paraguay established a junta of its own, of which one member was the remark-

These calculations, although generally referred to, are, however, of old date; and it is supposed by persons competent to give an opinion upon the subject, that in general an addition may be made to them of about 25 per cent. With respect to Buenos Ayres the population is considered to be purposely under-rated very considerably to avoid any causes of jealousy as to the number of her representatives in the ensuing General Congress.

The geographical position of the respective provinces is generally laid down in the accompanying map.<sup>1</sup>

In that of Buenos Ayres, in spite of the losses of war, internal dissensions, and forced emigrations, it is estimated that the population has doubled since the declaration of independence in 1810.<sup>2</sup> By far the greater part of this population, perhaps three fourths, including strangers, have been born or educated *not* as subjects of Spain, and they have extended themselves in this period over tracts of country which were formerly neither under the immediate government of, or even known to the antient viceroys. With respect to the other provinces of the union, their particular resources and progress will form the subject of a future report whenever the necessary information concerning them shall be collected from the competent and proper sources.<sup>3</sup>

The consideration of the relations of Buenos Ayres with these

able Dr. José Gaspar Rodríguez de Francia (1766-1840). In 1813 Francia became one of the two consuls of the Republic of Paraguay (there seems to have been no declaration of independence), and in 1814 he was elected dictator. This position was conferred on him for life in 1816. He ruled the country with an iron hand till his death. In the early eighteen twenties he began that system which led by the end of the decade to the complete isolation of Paraguay from the outside world. Báez, *Ensayo sobre el Doctor Francia*, pp. 56-7, 63; and also his *Historia diplomática del Paraguay*, i. 123-5, 134-5, 146, 209. See also *infra*, p. 49. Shortly before Francia's death the population was alleged to be about 220,000. Parish, *op. cit.* (1852), p. 261.

<sup>1</sup> Removed.

<sup>2</sup> According to the census taken by order of Viceroy Vértiz y Salcedo in 1776 the city of Buenos Aires had then a population of 24,205 and the surrounding country of 12,925. *D.H.A.*, xii. 120. At the time of the British invasions (1806-7) contemporary estimates varied from 40,000 to 70,000. See the discussion in B. Mitre, *Comprobaciones históricas á propósito de la 'Historia de Belgrano'* (2nd ed., Buenos Aires, 1881), pp. 41-70. 45,000 seems to be the outside figure. Cf. J. A. Alsina, *La inmigración Europea en la República Argentina*, p. 12.

<sup>3</sup> On 3 June 1824 Parish circularized the governors of the provinces requesting information on the extent, population, productions, and resources of their governments. F.O. 118/3. The replies are in F.O. 354/7. Cf. his *Buenos Aires and the provinces*.

provinces leads to a question of very considerable interest and importance, not only to Buenos Ayres, but to the whole of the union, viz. :—the present situation of Monte Video and the Banda Oriental,<sup>1</sup> a province formerly considered to be one of the richest in the whole viceroyalty of Buenos Ayres.

The Banda Oriental was the pasture land and granary of these provinces, and the natural position of Monte Video promised to make it the principal maritime emporium of the union. Its present state is far different. Depopulated, and desolated by foreign aggression and internal dissensions, it now presents a melancholy picture of misery and discontent. The Brazilians have succeeded the Portuguese in the forcible retention of it, the grievances of the people appear to have subsided in apathy ; and poverty seems to have destroyed that spirit of independence and enterprize which marked their first exertions in the cause of liberty. But though the Monte Videans may be sunk in apathy and insensibility to their own situation, their brethren in these provinces are far otherwise, and one of the most difficult tasks of the new administration here has been to restrain that zeal and spirit of the Buenos Ayreans which would have driven them long ago to an armament and to forcible measures for the expulsion of the Brazilians. It has indeed been hardly possible for the Government to avoid commencing upon hostilities, and they have only been able to pacify public opinion upon the subject by a promise to refer the consideration of the question and the measures to be taken upon it to the General Congress as soon as it is convoked.<sup>2</sup>

In the meantime they have endeavoured to settle the question with the court of Brazil by negociation, for which purpose M. Gomez, a person of considerable ability, was last year dispatched to Rio de Janeiro. M. Gomez made an able representation on behalf of this State to the court of Brazil, but ultimately returned without any final or satisfactory arrangement of the question. The papers connected with his mission were afterwards laid before the Assembly, and are herewith enclosed, as affording the most comprehensive view of the present state of the question which can be given.<sup>3</sup>

<sup>1</sup> *Infra*, nos III and IV.

<sup>2</sup> *Infra*, p. 87, n. 1.

<sup>3</sup> Enclosures: (i) Memorandum presented by the commissioner of the Government of Buenos Ayres at the court of Brazil to the minister for foreign affairs at that court [15 Sept. 1823]; (ii) Resolution of the court of Brazil communicated by its respective minister to the commissioner of the Government of Buenos Ayres, 6 Feb. 1824; (iii) Report of Valentín Gómez to Bernar-

The differences which have arisen between these provinces and the court of Brazil upon this subject have hitherto prevented the establishment of any direct relations between the two Governments, although a person sometime back presented himself charged with a formal acknowledgement on the part of Brazil of the independence of these provinces. But, when upon his arrival it was found that he was unprepared to disclaim at the same time the pretensions of his court to the possession of Monte Video, this Government refused to acknowledge his public character, and he returned to Rio de Janeiro.<sup>1</sup>

With the exception of occasional communications with that court, the *foreign relations* of Buenos Ayres have been confined to treaties of alliance and defence with some of the other free States of South America, and to an exchange of diplomatic missions with the United States.<sup>2</sup> This Government has, however, declared its determination not to listen to any foreign representations here unless made to them through the regular channel of an official agent duly authorized by his Government and recognised as such by this State.

The negotiation which gave rise to the most anxious hopes and solicitude in this country was that entered into last year with the commissioners from Spain, with whom the preliminary Convention of the 19th of June was signed, in which the independence of Buenos

dino Rivadavia, 12 April 1824. These papers are printed in *Registro Oficial*, ii, no. 1728, and *B.F.S.P.*, xlii. 748-66. José Valentín Gómez (1774-1833), a priest who had embraced the revolutionary cause with enthusiasm, had been a distinguished member of the assembly of 1813 and he had been Pueyrredón's agent in Paris in 1819. He was sent to Brazil in Aug. 1823 with instructions to secure the evacuation of the Banda Oriental by Brazil and to promote friendly relations with that empire. Brazil, however, declined these overtures, and on Gómez's return both sides in reality prepared for war.

<sup>1</sup> Juan Manuel de Figueredo arrived in Buenos Aires in July 1821 with a cordial letter from the Portuguese Minister announcing the intention of the court of Brazil to recognize the independence of the Argentine provinces. He seems to have died shortly after his arrival. Varela, *Historia constitucional*, iii. 410; Ravignani, *Historia constitucional*, ii. 220.

<sup>2</sup> Treaties were signed with Chile on 5 Feb. 1819, and with Colombia on 8 March 1823. *B.F.S.P.*, vi. 1154; xi. 310. In Jan. 1823 Caesar A. Rodney was appointed minister plenipotentiary of the United States to the government of Buenos Aires, and in Dec. 1823 Carlos de Alvear was appointed minister plenipotentiary to the United States. Rodney died in June 1824, six months after his arrival. The United States was chiefly represented in this period by the able and energetic John M. Forbes. Alvear arrived in Washington late in 1824, but returned to Buenos Aires shortly after.

Ayres was actually admitted.<sup>1</sup> The receipt of this Convention in Spain has, however, never since been acknowledged, and the commissioners have withdrawn to Monte Video, their communications remaining hitherto altogether unnoticed by their Government; the knowledge of which circumstance, joined to the change which has taken place in Spain, has almost put an end to the sanguine expectations fairly formed here of its ratification by his Catholic Majesty.

The minister for foreign affairs, it is said, will be hereafter charged with the duties of the *War Department*, and it should here be observed that during the last three years a most material change has taken place in the state of the *army of Buenos Ayres*. When the present administration came into power, it was deemed indispensable to crush that influence in the internal concerns of the Government which had hitherto been possessed by the military officers, so much to the disadvantage of the country, and so subversive of its true interests. The army had obtained so complete a preponderance that they held everything, and controlled everything as they pleased. This became the more dangerous at home, as their services in the field became less required. It was acknowledged by all parties that by the most extraordinary exertions of the Buenos Ayrean forces the cause of independence had been carried into Chili and Peru. In the first, it was established; and in Peru those principles had been set up by them which the inhabitants had resources of their own to maintain and defend. But the Buenos Ayrean Government felt that the time was at last arrived when such exertions in behalf of their neighbours must be limited. Their own contest had long been closed, and they had laboured hard for their allies; but it was for them, with their own means, to consolidate the work so well begun. The situation of Spain, too,

<sup>1</sup> Convención preliminar acordada entre el Gobierno de Buenos Aires y los Comisionados de S.M.C., 4 July 1823. *Registro Oficial*, ii, no. 1682; *B.F.S.P.*, xi, 225. Commissioners had been sent out to the colonies by the liberal government of Spain in 1820. Those who first arrived in the Plata were rebuffed, but further commissioners were sent in 1822 empowered to negotiate provisional commercial agreements, but not to recognize independence. By the convention signed by the commissioners to La Plata and Rivadavia an armistice was agreed upon for eighteen months, commercial relations were to be renewed and arrangements made for a definitive treaty of peace. In Jan. 1824, Ferdinand VII, restored to absolute power by the French, disavowed the proceedings of all the commissioners sent to America. W. S. Robertson, 'The policy of Spain towards its revolted colonies, 1820-1823', *H.A.H.R.*, vi. (1926), pp. 21-46.

in 1820, encouraged them to hope that the promulgation of liberal principles in that country might conduce to peaceable negotiations and arrangements with this<sup>1</sup>; at all events her weakness and internal distractions were a sufficient guarantee to the provinces of La Plata that they had nothing to fear from external attack.

Upon all these considerations the Government of Buenos Ayres, for the first time since the declaration of their independence, turned their attention to peace, and resolved to close their military operations, at least for the present. The greater part of the army was disbanded, and the only remaining forces kept up in the provinces were scattered over the frontiers as a defence against the inroads of the Indians. The officers were paid off by a very liberal mode of settlement, their names being inscribed according to their rank and services for corresponding sums in the public funds. Thus, the army of Buenos Ayres which crossed the Andes under San Martin, and which established the independence of the western provinces of South America, no longer exists.<sup>2</sup>

Peace for the present reigns in the provinces of La Plata, and the militia, which is numerous, preserves their internal tranquillity; but the materials of war remain, and if the contest is to be renewed, there is no reason to expect that it will be carried on with less vigour or determination than heretofore, after an interval of rest which has so well recruited the energies and resources of every branch of the State.

The breaking up of the army and military establishments, and the necessity of providing the means of satisfying their outstanding demands, turned the attention of the Government to the state of its resources and the formation of a more regular system of *finance*.

Up to 1821, like every other branch of the Government, this department had been miserably mismanaged; the peculation of the public officers was notorious; and the public revenue, from venality and mismanagement joined to a most impolitic system of exorbitant duties on foreign commerce, which had led to a very

<sup>1</sup> On 1 Jan. 1820, when Ferdinand VII was assembling an army at Cádiz to be sent to America, occurred the famous revolt of Colonel Rafael Riego. In March the king was compelled to accept the Constitution of 1812, and on 6 July the Cortes met for the first time since 1814. French intervention in 1823 swept away all hope of liberal government, and on 1 Oct. Ferdinand, once more absolute, declared all the acts of the Cortes invalid.

<sup>2</sup> Cf. Bases para la reforma militar . . . 28 Feb. 1822, *Registro Oficial*, ii, no. 1579.



considerable contraband trade, was poor, fluctuating, and precarious.<sup>1</sup> The expenditure, arising chiefly out of the extravagant demands of the military, and for the army, far exceeded the ordinary revenues. Credit the Government had none, and their necessities led to continual extortions in the shape of forced loans and contributions.<sup>2</sup> The government paper, which was forced into circulation, it is true, was partially received at the Custom House in payment of duties, but it was not unfrequently at a discount of 75 per cent.

The new administration commenced their reform in this branch by an immediate reduction of all duties and imposts to a reasonable and moderate rate, and this at once put an end to the practice and profits of smuggling.<sup>3</sup> Loans and contributions were, as has been before stated, discontinued unless under the express authority of the Assembly of Representatives, who assumed the exclusive control of the public expenditure. The foundation of the existing *funding system* was shortly afterwards laid, upon precisely the same principles as that of Great Britain. All outstanding government paper was called in, the holders receiving 6 per cent. stock in lieu, with a bonus of 25 per cent. to the original holders. Other just claims upon the State were paid off in the same manner, of which by far the principal amount was formed by the compensations granted to those military officers whose active services were dispensed with in 1821. The provision thus made for them satisfied a numerous and very clamorous party, and greatly reduced the annual public expenditure.<sup>4</sup>

<sup>1</sup> See the interesting graph of the receipts at the custom house of Buenos Aires, the principal source of revenue, in Alvarez, *Estudio sobre las guerras civiles Argentinas*, p. 76.

<sup>2</sup> The amount of the forced loans between 1812 and 1821 has been calculated at \$2,964,000. Hansen, *La moneda Argentina*, pp. 255-7.

<sup>3</sup> *Infra*, p. 53, and see the Leyes de Aduana of 14 Dec. 1821 and 25 Nov. 1822, *Registro Oficial*, 1, no. 1559, 11. no. 1636. Pending the framing of the new tariff, the Government, on 21 Aug 1821, established a provisional regulation reducing the import duties. *Ibid.*, 1, no. 1499.

<sup>4</sup> "In 1821 commissioners were appointed to liquidate all claims against the government, most of which were for forced loans or for military service. A 6 per cent bond issue was created to extinguish revolutionary claims, while for those originating in obligations of the colonial government, 4 per cent bonds were issued." H. E. Peters, *The foreign debt of the Argentine Republic* (Baltimore, 1934), p. 11. Cf. Parish, *op. cit.* (1852), p. 371. In the funding of all claims on 28 March 1822 the Government recognized a total debt of \$4,500,000. Hansen, *La moneda Argentina*, p. 249. The funding operation was followed by the establishment of the Bank of Discount of the

On the first issue of the funds thus constituted in 1821, they were sold at 26 to 28 per cent. for 6 per cents., and 4 per cents. in proportion.<sup>1</sup> They have gradually risen in price, until they have reached their present value of 85 for 6 per cent. stock, or three times their original price.

The revenue of the country progressively encreases. Last year it was about two millions of dollars, and this year it will exceed that sum. An account of the supply and expenditure is given to the public every month, besides the general estimates and accounts of the whole which are annually submitted to the Assembly of Representatives. The documents marked [blank] will show the public receipts and expenditure for 1822 and 1823, and the present amount of debt redeemed and unredeemed.<sup>2</sup>

Such is a summary of the formation and progress of the present free government of Buenos Ayres. The first years, indeed, of the revolution were marked with those scenes of bloodshed and disorder over which it might be merciful to cast the veil of oblivion; but where is the people who have established their liberty without similar attendant circumstances; and what are the horrors which have taken place in these provinces compared with those which have marked the former struggles for freedom not only in this hemisphere, but in our own, in England, France, Italy, and lastly in unhappy Spain?

Experience dearly bought is of the greater value. In this country, indeed, the lessons which have been learnt from the course of

Province of Buenos Aires by law of 20 June 1822, with a projected capital of \$1,000,000, though the Bank began operations in September with very much less. Hansen, *op. cit.*, pp. 269-72; Norberto Piñero, *La moneda, el crédito y los bancos en la Argentina* (Buenos Aires, 1921), pp. 61-77. Some indication of British interests in these operations is afforded by a letter from J. P. Robertson, at Buenos Aires, to his grandfather, Parish of Bath, 11 June 1823, F.O. 6/1. Robertson stated that he held for himself and his friends eight shares in the Bank of \$1,000 each, and \$200,000 of the public funds. Woodbine Parish estimated that half the public debt of the country and the best part of the most valuable property was in British hands. Parish to Canning, 25 April 1824 (no. 12), F.O. 6/3. Cf. Mulhall, *The English in South America*, p. 327.

<sup>1</sup> Núñez, *Account of Río de la Plata*, p. 54.

<sup>2</sup> (i) Revenue of Buenos Ayres in the years 1822 and 1823. (ii) Statement of the Public Debt of Buenos Ayres. Cf. Núñez, *op. cit.*, pp. 127-8. Total receipts, \$4,931,386; expenses, \$4,601,074. Cf. also *B.F.S.P.*, x. 1014, which gives the figures for 1822. The public debt was estimated at \$3,907,381, exclusive of the loan for \$5,000,000 under negotiation in England, and \$1,000,000 voted on 1 Jan. 1824 to meet certain outstanding claims. The loan was negotiated with Baring Bros. in 1824 at 85.

events are inappreciable. The errors of the past will be shunned for the future ; and the benefits of a good Government, which has been at last established, are now quite sufficiently known and understood to ensure the support of all classes of the people. Every day adds to its moral and physical strength. As education advances, so will the State ; as foreign commerce increases, so will the prosperity and resources of the country. Nature has done her utmost in climate and situation ; and it only remains for civilized man in these regions to make the most of those inestimable blessings which Providence, on the one hand, has bestowed upon him, and a paternal Government, on the other, is anxious by all possible means to improve.

## II. RIO DE LA PLATA (ARGENTINA)

[F.O. 6/4.]

### Woodbine Parish to George Canning.

No. 34.

Buenos Ayres, 30 July 1824.

I have the honor to transmit to you a general report upon the rise, progress, and present state of the commercial interests of Buenos Ayres, which has been drawn up at my request by a committee of British merchants.

Upon my first arrival here,<sup>1</sup> at a general meeting of the British residents, which I called for that and other purposes, I requested them to elect from their own body such a committee as I might in future consult with upon any matters connected with their general interests, and from whom especially I might expect to obtain such information as I might require upon points which their own local residence and experience would best qualify them to afford me.<sup>2</sup>

<sup>1</sup> Parish reached Buenos Aires on 31 March, after a voyage of 12 weeks. He received his exequatur on 6 April. Parish to Canning, 6 April 1824, F.O. 6/3.

<sup>2</sup> The number of British residents at Buenos Aires was already very considerable. Parish estimated that there were nearly 3,000. Parish to Canning, 25 April 1824, (no. 12), F.O. 6/3. 1,355 were registered at the consulate prior to January 1825, of whom 146 were merchants, 67 clerks, 93 tradesmen, and a large number labourers and carpenters. F.O. 354/8. By 1831 the number registered had grown to 4,072, and at least 1,000 were unregistered. Parish, *Buenos Ayres and the provinces* [1839], p. 394. The British colony had taken root between 1808 and 1810, in which year it was said to consist of 124 persons. Alsina, *La Inmigración Europea*, p. 12. In 1811 the British Commercial Rooms were founded, and in the same year a consul was appointed, who, however, was never recognized. *Infra*, p. 331, n. 2. The flourishing British community of 1818 is described by J. P. and W. P. Robertson, *Letters on South America* (3 vols., London, 1843), iii. 115-22. See also James Dodds, *Records of the Scottish settlers*, pp. 3-5; O. C. Battolla, *Los primeros ingleses en Buenos*

A committee of seven gentlemen was accordingly appointed by ballot, and to these gentlemen I submitted a series of heads and queries with a view to the formation of a general commercial report with which they undertook to furnish me. The necessary documents were afforded by the Government, and with the addition of these materials, the result of their labours is the enclosed report, which appears to me to be so clear and full in all its bearings, that I know not how I can make it more so by any additional observations of my own. I therefore forward it exactly as it has been presented to me by the gentlemen referred to, forming the Committee of the British Merchants of Buenos Ayres.<sup>1</sup>

[F.O. 6/4.]

**Robert Montgomery to Woodbine Parish.**

*Copy.*

Buenos Ayres, 29 July 1824.

Sir,

In compliance with your request, the British Committee have drawn up a General Report upon the trade of this country, and I now beg leave to transmit the same.

The Committee hope that this report will afford H.M. Government all the information which is desired. They have endeavoured to embrace in it the different subjects and points contained under the various heads of your memorandum of the 19th of April last, and they will feel extremely happy should the report prove satisfactory to yourself.

Any further information which may be wanted, or explanation of such points as may seem to you to be required, the Committee will at any time be happy to afford.

I am with respect, Sir,

Your most obedient, humble servant,

R. Montgomery.

Chairman.

*Aires, 1780-1830* (Buenos Aires, 1928); Mulhall, *English in South America*; E. J. Pratt, 'Anglo-American commercial and political rivalry on the Plata, 1820-1830', *H.A.H.R.*, xi (1931), pp. 303-6; J. B. Williams, 'The Establishment of British commerce with Argentina', *H.A.H.R.*, xv (1935), pp. 42-55.

<sup>1</sup> The report is signed by R. Montgomery, Thomas Duguid, Peter Sheridan, John Watson, W. M'Cracken, James Brittain and William Parish Robertson.

Report on the trade of the River Plate.<sup>1</sup>I. *Of the import trade.*

In entering on a general view of the trade of Buenos Ayres, it will be necessary to trace it back to the period when this was still a colony of Spain, and subject to the regulations of that country, as established by the Council of the Indies. This will enable us to speak with more certainty on the operating causes of both its past and prospective increase or decline.

The vexatious and oppressive regulations which have always clogged the internal trade of Spain were, as it is well known, extended to her colonies, and of course the same pernicious effects resulted from them. Many articles of primary importance were monopolized by the crown; almost all the first necessities of life were, in various forms, very heavily taxed; and restrictions and penalties had the desired effect of enriching a limited number of Spanish monopolists and this, naturally, at the expence of the general interests of the country.<sup>2</sup>

The most injurious consequence of this unwise system was an

<sup>1</sup> This report is also in B.T. 6/32, F.O. 354/8, F.O. 119/1, and F.O. 354/3. The first of these is the duplicate sent by Parish, the second is an original received by him from the merchants, and the remaining two are copies in his letter books.

<sup>2</sup> On the fiscal and economic regime of the colony, which was profoundly modified in the course of the eighteenth century, see Ricardo Levene's introduction to *D.H.A.*, v, particularly pp. lxxix-xcviii. Till the latter half of the century Buenos Aires was very much an economic dependency of Peru, and it was against that viceroyalty that her first struggles for independence were directed. As far as Buenos Aires was concerned the Spanish monopoly had been a monopoly exercised in the interests not only of Spain but of the Seville and of the Lima merchants. The latter strenuously opposed concessions to the developing community on the Río de la Plata, and tried to maintain the monopoly of the old Porto Bello-Panama-Lima route. Except for periodic concessions for a limited trade with Brazil and for 'register ships' especially licensed by the crown, the port of Buenos Aires had been practically closed. Register ships, however, came with increasing frequency in the eighteenth century, especially after the suppression of the galleons in 1740 (*infra*, p. 111), and in 1767 a regular postal service was established with Coruña, the mail ships carrying merchandise as well as mail. It was not, however, till 1776 that Buenos Aires was permitted to trade with the other American colonies, not till the *auto de comercio libre* of 6 Nov. 1777—an action taken by Viceroy Cevallos on his own authority—that she was allowed to send goods overland to Peru, and not till 2 Feb. 1778 that the port was freely opened to trade with the qualified ports of Spain. *D.H.A.*, v, pp. xxx-xxxiii, xli-xlvi, liv-lxi, 204, 373, 401; Antuñez y Acevedo, *Memorias históricas*, pp. 120-9.

extensive contraband trade, by which a few individuals accumulated great wealth ; and, while the revenue was defrauded, the goods thus introduced, still falling into the hands of the monopolists, tended only to enrich them without producing any benefit to the country at large.<sup>1</sup>

The prices of all import goods, in this state of things, were most exorbitantly high ; and as the individuals who carried on the general trade of the province with Spain had an absolute command over it, they were enabled to purchase exports on their own terms, and thus the produce of the country was always kept much lower in price than it would have been under a better regulated system. The estimated amount of exports from Spain was always greatly inferior to the real value of the returns which she received. In 1796 the exports from Cadiz to Buenos Ayres amounted to about \$2,800,000, and the imports to upwards of \$5,000,000, in specie and produce. The latter, consisting of articles specified in Appendix A, which were then estimated at \$1,076,877, would, according to their present value, be worth upwards of \$5,000,000.<sup>2</sup>

<sup>1</sup> See the famous memorial of Mariano Moreno in 1809, 'Representación á nombre de los hacendados de las campañas del Río de la Plata . . .' in N. Piñero, *Escritos de Mariano Moreno* (Buenos Aires, 1896), pp. 88-224, which is in effect a trenchant indictment of the monopolistic system. At this time, when proposals for opening the port of Buenos Aires to foreign trade were being made, the monopolists and contrabandists collected nearly \$1,000,000 to induce the Viceroy to keep it shut. A. Mackinnon to Canning, 29 Sept. 1809, F.O. 72/90. The extent of illicit commerce in the Río de la Plata is a subject by itself and cannot be discussed here ; but it may be noted that in 1622 an interior Customs House was erected at Córdoba to prevent goods landed at Buenos Aires from being taken into the interior. The Portuguese colony of Sacramento (*infra*, p. 77, n. 1) played somewhat the same part in the Plata area that Jamaica played in the Spanish Main, and both in the contraband via Sacramento and the contraband with Río de Janeiro the English were deeply interested.

<sup>2</sup> The effect of the Bourbon reforms at Buenos Aires had been striking. Whereas scarcely 35 ships had entered the port of Buenos Aires between 1772 and 1776, 62 entered in 1792 and 77 in 1796. Between 1792 and 1796 the annual average value of the commerce of Buenos Aires was \$7,212,000, of which \$2,545,000 were imports and \$4,667,000 exports. Levene, *History of Argentina*, p. 109 ; D.H.A., v. p. xxxvii. Further, whereas in 1777 the customs receipts at Buenos Aires were under \$16,000, they rose to nearly \$54,000 in 1778, and from 1791 to 1795 averaged nearly \$400,000. Levene, *La Revolución de Mayo y Mariano Moreno*, i. 230 ; Levillier, *Antecedentes de política económica*, ii. 486. The figures given in the text and appendix (p. 55) for 1796 omit the exports of gold and silver, estimated at \$3,982,005, which brings the total exports to Spain to \$5,058,882. S. H. Wilcocke, *History of the viceroyalty of Buenos Ayres* (London, 1807), p. 526.

It may be safely stated that, while the colonial system existed, all manufactures and other European goods sold here at three times their present prices<sup>1</sup>; while the produce of the country was given in exchange at a fourth part of what is now paid for it.

Notwithstanding all the exactions, contributions and duties levied upon the goods imported from Spain into the colony, the revenue derived from them was very inconsiderable, and sufficiently proves the errors of the system which prevailed. In Appendix B will be found a statement of the whole *gross* revenue collected at the Customhouse here during the years 1803, 1804, and 1805.<sup>2</sup> The average amount levied in these three years is about half a million of dollars, collected in various and oppressive duties and imposts. The two principal branches, however, or the actual Customhouse duties on every species of import goods, were :—

Almojarifazgo, a duty variously levied on all imports,	
in 1803 produced	\$96,169
Derecho de circulo, or duty on <i>foreign</i> goods at 33½ per cent. ad valorem,	
same year produced	58,058
	<hr/> \$144,227 [154,227]

Thus, the whole direct Customhouse duty in one year was not \$150,000 [160,000],<sup>3</sup> and the gross amount of the valuations was probably not more than \$500,000. The actual imports, of course,

<sup>1</sup> William Walton, *Present state of the Spanish colonies* (2 vols., London, 1810), ii. 155, calculates that £100 worth of British goods purchased in Great Britain and shipped via Cádiz sold in America for £342. Even when Montevideo was in the hands of the British, the cost to the purchaser of British goods shipped direct was 60 p.c. above the prime cost. Auchmuty to Windham, 11 May 1807, W.O. 1/162.

<sup>2</sup> *Infra*, p. 55.

<sup>3</sup> The figures are correctly given in F.O. 354/8. By the reforms of 1778 (*D.H.A.*, v. 401; vi. 21) the *almojarifazgo*, or import and export duty, was fixed at 7 p.c. on foreign goods and 3 per cent. on national goods on their export from Spain and the same amount on their arrival in the major ports of America, of which Buenos Aires was one. Foreign goods imported through Spain paid 15 p.c. import duty into Spain, 7 p.c. export duty from Spain and 7 p.c. import duty into America. Minor charges brought the duties on foreign goods up to 33½ p.c. Cf. Manning, i. 453. When in 1797 Spain found herself compelled to open her American ports to commerce with neutrals, the royal order of 18 Nov. (revoked two years later) expressly stated that foreign goods coming from foreign ports should pay the same duties as if they had come through Spain. *D.H.A.*, vii. 134. The changes in the customs regulations are discussed in *ibid.*, v, pp. lxxix–xcviii.



greatly exceeded this sum ; and though it is impossible to ascertain here what they really amounted to, they may perhaps be calculated at from two to three millions of dollars annually.

The amount of British manufactures in this estimate was very trifling. The use of plain cotton goods was almost unknown, French and German linens being the articles used instead ; and the other manufactures of these countries, with those of Spain, formed the principal articles of import into this province.

On the whole, when it is considered that a free traffic was carried on between Buenos Ayres and all the interior of the viceroyalty, extensive as it was, its trade appears to have been very inconsiderable, and this can only be accounted for by the very oppressive and discouraging regulations under which it was conducted.<sup>1</sup>

But on a free trade being tolerated by the viceroy in 1808, it was at once seen that the country was in every respect fitted for great commercial improvement ; and on being thrown open altogether in 1810,<sup>2</sup> it was very soon carried to an extent altogether unknown in

<sup>1</sup> It should be remembered that the years 1796-1802, during which Spain and England were at war, were years of severe economic strain for the viceroyalty. In 1796 the exports from Buenos Aires had been more than \$5,000,000, in 1797 they were less than \$335,000. *D.H.A.*, v, p. cvii. The customs revenue, which in the years 1791-5 averaged \$389,569, fell in 1798 to \$100,000. Levillier, *Antecedentes de política económica*, ii. 486 ; Levene, *Revolución de Mayo y Marrano Moreno*, i. 230. The revenues rose steeply in 1802 and they have been estimated at \$800,000 in 1803 and at \$1,000,000 both in 1804 and 1805. Levene, *loc. cit.* ; Alvarez, *Estudio sobre las guerras civiles Argentinas*, p. 76. These figures, however, would seem to include the *sis*a, or fortification duty, and the *derecho municipal de guerra* (two branches of revenue which realized \$288,224 in ready money in 1802, for example. Levillier, *op. cit.* ii. 484) as well as certain charges from previous years. Cf. Alvarez, *op. cit.*, p. 73. These dues do not figure in the estimates given in the text above or in the accounts given in Appendix B (p. 55).

<sup>2</sup> Viceroy Liniers directly encouraged trade between Buenos Aires and Brazil in 1808, as a sort of extension of the neutral commerce permitted in 1797. In three months alone its value amounted to £120,000. Levene, *Revolución de Mayo*, i. 180-91 ; Manchester, *British preëminence in Brazil*, p. 116. The viceroy tolerated also the residence of British merchants and connived at their contraband trade. There is evidence of 31 British vessels entering the port between 1 Nov. 1808 and 1 Nov. 1809 with cargoes to the value of more than £1,000,000. D. B. Goebel, 'British trade to the Spanish colonies, 1796-1823', *A.H.R.*, xlii (1938), pp. 309-10. His successor, Cisneros, faced with an exhausted treasury, reluctantly found himself compelled to recommend the opening of the port to British trade, and despite the opposition of the old Spanish merchants, this was done by act of a *junta consultiva* on 6 Nov. 1809. *D.H.A.*, vii 379. This so-called decree of free commerce permitted a direct, rather than a free trade with England, and permission

former times : for the barriers of exclusive privilege and monopoly being once thrown down, the commerce of the country advanced at a pace rapid beyond all example.

It is true that when the trade was first opened, it was subject to great fluctuations, owing in some measure to the political confusion which prevailed, but more particularly to the exaggerated reports of its importance, and the difficulty of acquiring correct information as to its real nature and extent. Great losses consequently accrued in many instances to those first engaged in it ; the markets were glutted ; unreasonable duties were exacted ; and articles badly suited to the demand were imported. But these evils gradually corrected themselves ; the wants of the country were daily better understood and more regularly supplied ; the impolicy of high duties was felt and abandoned for a liberal and encouraging system ; and hence, as a natural consequence, has followed a regular, extensive and prosperous trade.<sup>1</sup>

The amount of imports here was very fluctuating from the opening of the trade up to the end of 1816. In that and the following year they were less considerable than they had been in the first years of the independence, which chiefly arose from two causes :—first, from once given, Cisneros sought to modify or withdraw it in accord with the views of the Spanish merchants and the Spanish government. Levene, *op. cit.*, i. 232–3 ; Goebel, *op. cit.*, p. 312. On 25 May 1810, however, the authority of the viceroy was replaced by that of a junta which at once showed its desire to take advantage of the benefits of foreign commerce. A more liberal scale of export duties was established on 5 June ; the port of Ensenada was opened on 29 May, followed by those of Maldonado and Río Negro ; and on 14 July the export of the precious metals was permitted. *Registro Oficial*, i, nos. 15, 22, 57, 77 ; *Gaceta de Buenos Ayres*, 7 Aug. 1810 ; Levene, *op. cit.*, ii, 188–95.

<sup>1</sup> 'The quantity of merchandise brought into these ports during the first six months', wrote the American commissioner, Poinsett, 'was equal to the former consumption of six years ; and skates and warming pans were seen dangling in the shops of Buenos Ayres and Montevideo.' Manning, i. 454. A British merchant at Buenos Aires estimated British property there in 1810 at 'seldom less than £750,000 sterling' and sometimes over a million. Mackinnon to Canning, 12 Aug. 1810, F.O. 72/107. Duties, however, were high, and the British merchants complained of them to the junta. *Gaceta de Buenos Ayres*, 19 July 1810. Mackinnon estimated that on some goods the duties amounted to 120 p.c., and on cottons from 54 p.c. to 70 p.c. Mackinnon to Canning, 21 Jan. 1811, F.O. 72/126. A decree of 9 Dec. 1813 instituted a general tariff of 25 p.c. on current prices, though on certain goods it rose to 50 p.c. *Registro Oficial*, i, no. 590. For the duties in 1816 see *Recopilación de leyes y decretos de aduana desde Mayo de 1810* (Buenos Aires, 1860), p. 32 ; and for the provisional tariff of 21 Aug. 1821, and the tariffs of 14 Dec. 1821 and 25 Nov. 1822 (practically identical) see *Registro Oficial*, i, nos. 1499, 1559 ; ii, no. 1636. See also *infra*, p. 61.

the imports, in the preceding years, having exceeded the wants of the country, and secondly, from the communication being cut off with many of the richest provinces of the old union.

By a return made to Parliament it appears that the exports of produce and manufactures of Great Britain to Buenos Ayres were,

in 1817—	£311,657	19	4 :
in 1818—	548,689	3	2 ;
in 1819—	730,808	0	9.

As these amounts constitute the value as ascertained under the declaration of the exporters, they are to be considered as rather below the actual value exported.<sup>1</sup>

In 1820 the imports again declined, partly in consequence of their having been excessive the previous year, but still more from the trade of Buenos Ayres having been that year ultimately reduced to the limited extent of territory to which it has been confined since that period.

To estimate fairly the extraordinary progress which foreign commerce has made since the opening of the trade, it is highly important to observe the difference between the extent of territory and population which were supplied by Buenos Ayres before and after the year 1820. For several years there existed a free communication with the provinces in Upper Peru—Potosi, Cochabamba, La Paz, etc., and these formed a most extensive and lucrative branch of the trade. Paraguay, the most populous, extensive, and perhaps, at that time, the richest of all the provinces, and the whole of the Banda Oriental drew their supplies from Buenos Ayres, while the intercourse was free and uninterrupted with all the other provinces of the late viceroyalty. But since 1820 the communication has been entirely cut off with Upper Peru; the province, or Republic of Paraguay has tenaciously refused all intercourse with Buenos Ayres; the Banda Oriental and Entre Rios are in part supplied from Monte Video; and the internal dissensions which have continually agitated the provinces of Salta, Tucuman, Santiago del Estero, and Cordova, have often rendered our trade to them precarious and limited, compared to what it was in former years, and may, in all probability, hereafter be.<sup>2</sup>

<sup>1</sup> An Account of the value of all exports from Great Britain to Buenos Ayres and of all imports from Buenos Ayres to Great Britain, for the three years ending the 5th January 1819 . . . *Parl. Papers*, H.C., 470 (1819), xvi. 233. Cf. *infra*, pp. 344 ff.

<sup>2</sup> Cf. *supra*, pp. 7-8, 17; *infra*, pp. 65, 82.

Thus, the trade of Buenos Ayres, since 1820, has been only extended in full to the province[s] of Buenos Ayres, San Luis, Mendoza, San Juan, Santafe, Corrientes, of which we may estimate the population at about 450,000 souls; partially and interruptedly to those of Entre Rios, Cordova, Salta, Tucuman, Santiago del Estero, Rioja and Catamarca, [and] Banda Oriental, population also about 450,000 souls; while we have been entirely shut out from the provinces of Jujui, Potosi, Chicas, Misque, Charcas, Cochabamba, La Paz, [and] Paraguay, population about 750,000 souls.<sup>a 1</sup>

Yet under all the disadvantages of the limitation of internal trade which the foregoing scale demonstrates, the commerce of Buenos Ayres has made very great progress during the last four years, and has arrived to a greater extent, with little more than its own province to supply, than when the intercourse was continual with nearly the whole of the viceroyalty.

This extraordinary prosperity springs from several causes, but principally from the excellent administration of public affairs since 1821, which secured peace and tranquility to the province, and during which the most marked encouragement has been wisely extended to every branch of commerce, and to the general industry of the country. Under this system, the very rapid increase of population; the great influx of foreigners; the consequent dissemination of industrious habits among the mass of the people; the reduced prices at which all foreign merchandize (and particularly British) can be afforded for sale; and the ready and increasing demand and high prices obtained for every species of the country's produce; all these causes have tended, and continue to tend to the rapid commercial aggrandizement of this part of South America.<sup>2</sup>

The maritime import trade of Buenos Ayres now extends to almost every quarter of the world, though by far the most extensive branch

<sup>a</sup> The population of the different provinces, as here estimated, considerably exceeds that of all former calculations. As no regular or exact census has ever been taken, it is impossible to speak with any degree of accuracy on the subject; but it may be observed that the estimate now made is still considerably lower than is generally calculated by those most conversant with the subject at the present day.

<sup>1</sup> The figures for the two former groups not only exceed all earlier estimates but they are in excess of the lowest and highest estimates of Parish in 1836 by 200,000 and 100,000. *Supra*, p. 16, n. 4; Parish, *Buenos Ayres and the provinces* (1839), p. 393. For the last group see *infra*, p. 208, n. 4.

<sup>2</sup> *Supra*, no. 1, *passim*.

of it is that with England. In point of importance the different countries may rank thus :—

- 1st. Great Britain—which supplies cotton and woollen manufactures and other articles as specified in Appendix C.<sup>1</sup>
- 2nd. North America—flour, lumber, furniture, unbleached cotton cloth, India and China piece goods, pitch, tar, and other minor articles.
- 3rd. Brazil—sugar, rum, rice, coffee, tobacco, yerba maté or Paraguay tea, lumber, coarse cotton cloth, India piece goods, etc
- 4th. Gibraltar, Spain and Sicily—Catalonia, Malaga and Sicily wines, brandy, paper, serges, sewing silks, oil, olives, etc.
- 5th. France—silk goods of every description, britannias, fine cloths, cambrics, lace, wines, furniture, etc
- 6th. The Continent, or Germany, Holland, Sweden and Denmark—linen of every kind, glass, cordage, gin, muskets, swords, lumber, iron, tar, pitch, etc.
- 7th. China—silks, crapes, nankeens, tobacco, tea, furniture, tortoise shell, earthenware, matting, cassia, and a great variety of minor articles.
- 8th. Havana—sugar, rum, coffee, molasses, white wax, and segars, sarsaparilla, logwood, etc.
- 9th. Chile and Peru—silver, gold, cocoa, cotton, mahogany, cedar, etc.

Having here stated the leading articles of import to this market, it will now be necessary, in order to ascertain their extent and comparative importance, to detail the importations of one year of the last four ; and having obtained documents which shew the entire commercial transactions of 1822, we shall proceed to make extracts from and give an analysis of them.

The whole imports of 1822, estimated by the valuations put upon them by the Customhouse, and which may be 20 per cent. under the wholesale prices of the market, amounted to the sum of \$11,267,622. Of which were imported from

1st. Great Britain, the amount of	\$5,730,952	
2nd. United States	1,368,277	
3rd. Brazil	1,418,768	
4th. Gibraltar, Spain and Sicily	848,363	
5th. France	820,109	
6th. The Continent	552,187	
7th. China	165,267	
8th. Havana	248,025	
9th. Chile and Peru	115,674	\$11,267,622 <sup>2</sup>

In Appendix D will be found a statement shewing all the leading articles imported into this market in 1822, with the respective

<sup>1</sup> *Infra*, p. 56.

<sup>2</sup> Printed in Parish, *Buenos Ayres and the provinces* (1839), p. 337.

amounts (calculated as closely as the nature of the thing will allow) introduced from each quarter, and giving the result which is just stated.<sup>1</sup>

Of the whole amount of the imports it is to be remarked that according to the Customhouse returns, there was reshipped for other markets the amount of \$1,323,565, chiefly to Lima, Chile, Montevideo, and the nearest coast of Brazil; while to the interior provinces the amount of \$1,282,568 was dispatched.

We shall now make such remarks on the trade with the different countries specified above as may tend further to elucidate their comparative importance.

It will be seen that the great articles of import from *Great Britain* are plain and printed calicoes and cloths. The amount of these three articles together is two millions of dollars, and they are of primary necessity here. On British manufactures at large the *country* population is entirely dependant,<sup>2</sup> and we may therefore not only calculate on our own trade continuing to maintain its present superiority over all the others, but on its increasing, most probably, in a better ratio. England is the great mart for the produce of Buenos Ayres; and British imports consisting wholly of such necessary articles as are consumed over the whole country and by all classes, the trade will probably not experience the fluctuations common to such as either consist chiefly of articles of luxury or of commodities which can be produced in the country itself.

Among these last must be ranked the United States. A few years ago her trade to the River Plate was of the most limited nature, and it has only grown into great importance since this country became dependent on North America for the article of *flour*. Before 1821<sup>3</sup> scarcely a barrel of flour was imported, but since then the agriculture of this country has fallen into such decay (from causes to be hereafter noticed) that it will be seen in 1822 47,690 barrels costing \$667,660 were introduced, and this year there have been already imported upwards of 65,000 barrels. The only other article

<sup>1</sup> *Infra*, facing p. 57.

<sup>2</sup> 'The manufactures of Great Britain are become articles of primary necessity. The gaucho is everywhere clothed in them. Take his whole equipment—examine everything about him—and what is there not of raw hide that is not British? If his wife has a gown, ten to one it is made at Manchester; the camp kettle in which he cooks his food, the earthenware he eats from, the knife, his poncho, spurs, bit, all are imported from England.' Parish, *op. cit.* (1839), p. 338. Cf. Manning, i. 535.

<sup>3</sup> F.O. 354/8 reads 'Before 1820'.

of consideration imported by the Americans is an unbleached coarse cotton cloth of which in 1822 800,000 yards were brought to this market, and the quantity will be considerably greater this year.

The flour trade is so very disadvantageous to the River Plate that it naturally attracts all the attention of the Government, by which every means will be used to get rid of it, and as population increases agricultural pursuits will probably be restored. From the United States, hitherto, articles the product of other countries have been imported, as China and East India piece goods, wines, etc., but, this indirect trade is daily diminishing. The other articles of the United States consumed here are of trifling value and generally sent out merely to forward their shipping trade. Such are lumber, furniture, tar, etc.<sup>1</sup>

The trade with Brazil is also very prejudicial to the provinces of the River Plate. The imports thence of sugar, rum, etc., are almost wholly paid for in specie, the only produce taken being a small quantity of tallow. There does not, however, seem to be any immediate prospect of this country being able to receive supplies of the articles imported from the Brazils on more advantageous terms from any other quarter.

Brazil has made a great acquisition to her trade, since Paraguay has entirely shut her ports,<sup>2</sup> in supplying Buenos Ayres with yerba maté or Paraguay tea. This article is of great consumption here and is assiduously cultivated on the nearest coast of Brazil. It is not indeed of nearly such good quality as that of Paraguay, but it is rapidly improving and it is now in general use in this province.

The trade of Gibraltar, Spain and Sicily is a very growing one, and mutually advantageous to the respective countries. It is of considerable importance to England, as being mainly carried on through the medium of Gibraltar, and in a great measure by English agents. The imports from Gibraltar and Spain in 1823 were 7,576 pipes of wine, 621 of brandy, etc., and to the 30 June of this year there

<sup>1</sup> Cf. *infra*, p. 45. On the United States trade, necessarily limited, since the United States and Argentina produced similar products, see E. J. Pratt, 'Anglo-American commercial and political rivalry on the Plata, 1820-1830', *H.A.H.R.*, xi (1931), pp. 310-11. In 1824 and 1825 United States shipping to the Plata easily outdistanced English. Comparative Return of Trade at Buenos Ayres, 1822-6, F.O. 354/8. And Parish complained in 1825 that coarse brown linens from the United States sold at prices with which the English could not compete Parish to Canning, 10 Oct. 1825, F.O. 6/9.

<sup>2</sup> *Supra*, p. 17, n. 2; *infra*, p. 49.

have been imported 7,979 pipes wine, 1,327 of brandy, and other articles. In Appendix E these are specified and some further remarks inserted.<sup>1</sup>

France has also considerably extended her trade to this country during the last two years. But her exports are not generally such as are of primary necessity to this country, the principal articles being silk piece goods and fine linens. Cotton manufactures have been attempted, but it was found that they could not come into competition with those of Great Britain and they have accordingly altogether ceased to be imported from France. Neither are fine French cloths in very great repute.

English manufactures are more likely to be interfered with from Germany, for within the last year the Rhine Manufacturing Company have established an agent here and their manufactures of every description have been sold at lower rates than those at which goods of equal quality could be imported from Great Britain. If the prices obtained have been profitable, which appears almost impossible, we may look for a great augmentation of this trade, but if otherwise, it will continue restricted to the linen branch which it enjoys to a very considerable extent.<sup>2</sup>

China is an entirely new trade and one likely to be of no small importance here. By far the greater share of it would fall into English hands, were it not for the circumstance that <sup>3</sup> *British vessels are not admitted even from foreign countries to trade to China*. As any other flag can go there, the Americans have this trade at present. One cargo in an American bottom has already been imported and sold this year for \$200,000; two more American vessels have been dispatched for Canton, and a company of merchants of Buenos Ayres having established an agent there, the trade will soon become regular and extensive.<sup>4</sup> These cargoes are purchased in China with specie and bills on London.

<sup>1</sup> *Infra*, p. 57.

<sup>2</sup> The prices were not remunerative and the company was broken up. Parish, *op. cit.* (1839), p. 342.

<sup>3</sup> F.O. 354/8 reads 'were it not that an impression prevails here', etc. China confined all foreign trade to Canton, and by the monopoly of the East India Company the trade to Canton was entirely prohibited to all British vessels except those in the actual employment of the company. It was opened by 3 and 4 William IV, c. 93. See also *infra*, p. 191.

<sup>4</sup> The American trade to Canton had begun as early as 1784. See Latourette, *The history of early relations between the United States and China*, pp. 13-18. The alarms of the British merchants about it at this time are reflected in Report [relative to the trade with the East Indies and China], 11 April 1821,



The import trade in sugar, rum, etc., which is at present in the hands of the Brazilians, ought more naturally to fall into those of the *Havana*. This last consumes almost all the jerk beef made here, but instead of this being sent in exchange for the *Havana* produce, the Americans take it as a return for the *flour* they import and carry it in their own vessels to the *Havana* for sale.

The trade with *Chile and Peru* is inconsiderable, and chiefly arises out of shipments of the surplus stock of British and other merchandize from time to time hence to the western coast of South America.

Before concluding this summary of the present state of the import trade of the River Plate, we may safely infer from its progress hitherto that the country will continue rapidly to advance in commercial importance. Under all the disadvantages of a retarded state of warfare, revolution, and anarchy, of extraordinary intestine disorders, of a continually interrupted intercourse between the provinces, of a very limited capital, and of a thin and widely scattered population; under all these drawbacks the trade of Buenos Ayres has advanced. And when, on the other hand, we consider that population is now increasing with extraordinary rapidity; that the influx of foreigners and of foreign capital every year augments; that the different provinces are drawing towards a state of consolidation, and that a general union is on the point of being formed; we must feel satisfied that the trade of Buenos Ayres must still more rapidly than heretofore extend itself on every side: and if we add to the advantages just detailed that of the acknowledgement of the independence of this country by Europe, then its commerce must be considered as only in an infant state at present when compared with what it may be expected to become in the course of no great number of years.

#### 2d. *Of the export trade.*

It is well known that the great articles of produce of the River Plate are hides, skins, and tallow, and that these, with specie and bullion received from the interior, have mainly constituted the export trade of the country. This is the case, generally speaking, now; but the course of public events during the distracted state in

*Parl. Papers*, H.C., 476 (1821), vii. 1-421. At Buenos Aires the Americans could deposit manufactured goods on the outward voyage and on return pick up native products to take on to Cuba or the United States. See also *infra*, pp. 139-40.

which the country has been involved by its revolution has very much changed the local features of the export trade, and has been, on the whole, as may be supposed, very unfavourable to it.

Before the revolution the great *cattle* country was on the east side of the river. The Banda Oriental and Entre Rios were covered with herds of every kind of cattle, and almost the whole of the supplies of hides were derived from these provinces. That of Buenos Ayres was almost exclusively devoted to agriculture<sup>1</sup>; and it not only raised sufficient wheat for its own consumption and that of other provinces (particularly Santafé and Paraguay) which required supplies; but it was an article of considerable export to Brazil.

This state of the export trade continued up to 1812-1813, when General Artigas<sup>2</sup> seceded from his dependance on the United Provinces, and arrogated to himself the Government first of the Banda Oriental, and afterwards of Entre Rios. Here he commenced a system of predatory and excursive warfare, and generalized such a total anarchy throughout the two provinces that absolute desolation was spread over the face of the country: and the subsequent invasion by the Brazilians, and obstinate war long carried on between them and the natives, completed the ruin which Artigas had begun. Accordingly these once flourishing provinces are now exceedingly poor; the immense herds which, in former times, covered their rich pasture grounds have entirely disappeared; and many years must elapse before they can return to their former opulence.<sup>a</sup>

Meanwhile, as the supplies of hides required by the European traders were thus gradually but constantly diminishing from the other side, the attention of this province was turned to grazing; and its extensive plains afforded ample means for the raising of

\* The only produce still furnished in considerable abundance by the Banda Oriental and Entre Rios is that of horse hides and hair. From being of inferior value this species of cattle suffered less than others in the general devastation.

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<sup>1</sup> This is something of an exaggeration. While there was an agricultural and wheat zone in the vicinity of Buenos Aires, Dean Funes went so far as to say in 1816 that the trade in hides always had been and always would be the true riches of the province of Buenos Aires. Denis, *La République Argentine*, pp. 178-9, 190. The wheat of Buenos Aires was, however, exported to Paraguay, Montevideo, Havana and Brazil. Azara, *Descripción é historia del Paraguay y del Río de la Plata* (written in 1806), 1. 80.

<sup>2</sup> José Gervasio Artigas, 1764-1850, commonly regarded as the founder of the Uruguayan nation. On Artigas and the Banda Oriental see *infra* no. IV.

cattle. The frontiers were extended ; large cattle estates were formed <sup>1</sup> ; and Buenos Ayres now gives the greater quantity of all the produce which is shipped from her port. As the supplies, however, still fell short of the demand, the interior provinces also turned their attention to the article of hides, and they now accordingly come down from as far as Mendoza and Tucuman, a distance of more than 300 leagues.

During the war in Europe a larger quantity of hides was required than immediately after the peace ; but the demand since 1820 having exceeded the productions of this country, supplies have been derived, in Europe, from other quarters, and the price of the article has been greatly enhanced. It may, however, be taken as an indisputable fact, that when order and security are restored to all the provinces of the River Plate, they will be able to supply Europe with hides to any extent required on terms which will probably disable other countries from entering into competition with them.

The article of tallow which was of much importance as an export during the war has now entirely ceased to be so. While the communication with Russia was interrupted, tallow was shipped in large quantities from this country : but since the peace the exports for England have every year declined till 1822, when they ceased altogether ; and now, with the exception of an inconsiderable quantity sent to Brazils, Buenos Ayres does not produce more tallow than is required for the consumption of the country itself. It is evident, however, that where so much cattle is reared, if the demand for this article were to revive, it could easily be produced to the extent of former years.

Specie and bullion, too, which used to form a large export from Buenos Ayres have become very scarce during the course of the revolution. That part of Upper Peru in which the great gold and silver mines lie having been the continual theatre of warfare between

<sup>1</sup> The name of one wealthy *estanciero* the foundation of whose fame and fortune was laid in the southern part of the province was Juan Manuel de Rosas. For the efforts of the government of Pueyrredón to regulate the division of the public lands with a view to extending and defending the frontiers see Cárcano, *Evolución histórica del régimen de la tierra pública*, pp. 25-33. Vacant lands were to be given to settlers on condition of occupation. The problem of the conquest of the desert and of frontier defence against the Indians was fundamental to the infant state. The cities were still oases in the wilderness. But the measures of the government both under the directorate and under Rodríguez tended to favour the large as against the small holdings, and circumstances were on the side of the cattleman rather than of the farmer.

the royalists and patriots, these mines have ceased, during this political contest, to be worked either extensively or regularly, and have accordingly yielded scanty supplies of the precious metals.<sup>1</sup> At the same time, that country having generally been, and now being in the hands of the royalists, very little of even this scanty produce of the mines has found its way to Buenos Ayres.

A principal article of export has sprung up since 1820 in *jerk beef*.<sup>2</sup> This article, before the revolution, used to be prepared and shipped in large quantities from Montevideo ; but during the subsequent disorders of that country, and its ultimate poverty in cattle, the business was wholly abandoned. Here it is now carried on to a greater extent than ever, and it is likely to continue to be of importance to the country.

Wool was, at one time, exported to some extent, but the quality of it is very inferior, and from the nature of the country is so dirty and difficult of cleaning as to render it of very little value.

In regard to the prices of exports we may observe that hides have gone on uniformly increasing in value :—

In 1810-1811 we find a pesada of hides, or 35 lbs., selling at 12 rials,	
from 1812 to 1815	at an average of 20 „
from 1816 to 1820	32 „
from 1821 to 1824	48 „

During the war in Europe the great charges incurred in getting hides to a market made it necessary to buy here at a low price ; and since the peace the diminishing supplies raised here, and corresponding increase of price in Europe, have gradually raised their value to its present rate.

It is generally considered, however, that hides are beyond their natural value here, as compared with their price in Europe, and this is accounted for by an excessive import, and consequent difficulty of making saving returns. But within this last two or three years, so much of the capital and industry of the country have been turned to the breeding of cattle, that there seems almost no doubt a few years will give a greatly increased supply, and consequently a decrease in the price of the article.

Tallow, in consequence of ceasing to be an object of export, has of course fallen in value.

During the war and up to 1819, the average price was about

<sup>1</sup> *Infra*, p. 218

<sup>2</sup> *i.e.* cured by drying in the sun.

18 rials per arroba of 25 lbs., since 1820 14 rials per do., and even at this latter price it is found much too high to send as a return to Europe.

In order further to illustrate the export trade, there will be found in Appendix F<sup>1</sup> the exports of the leading articles from Buenos Ayres from 1810 to 1824, taken from the Customhouse returns. But it is necessary to remark that the *actual* quantities exported have always *exceeded* these returns, as at all times they have been short manifested to save duties. From the amount of *specie*, in particular, said to be exported, no reliance is to be placed in these returns, as sometimes the article has been prohibited altogether, and then it was continually smuggled off. About one fourth may be added to the other articles as short manifested up to the year 1822; but since the reduction of duties in that year, there has been much less contraband carried on, and the returns may therefore be considered as more correct, though they are still under the actual shipments.

Appendix G contains prices current from 1821 to 1823 of the leading articles of produce here.<sup>2</sup>

An estimate formed of the value of the exports of 1822 taken from the Customhouse books amounts to		\$4,872,000
and adding one-fourth for short manifested		1,218,000
		<hr/>
		6,090,000
Add duties and charges 10 per cent.		609,000
		<hr/>
Amount of exports in one year		\$6,699,000
The estimated gross value of imports same year	\$11,267,622	
less re-exported	1,323,565	
	<hr/>	
	\$9,944,057	
Deduct for duty, charges, and commission 25 per cent	2,486,014	7,458,043
	<hr/>	
Apparent excess of imports		\$759,043
		<hr/>

<sup>1</sup> *Infra*, facing p. 60.

<sup>2</sup> Not printed. The exchange value of the dollar fell gradually from 48*d.* in Jan. 1821 to 44*d.* in Dec. 1822. It rose to 47*d.* in March 1823 and fell again to 44½ in Dec. Dry hides fluctuated between 32 and 52 reals the pesada in 1821, 40 and 52 in 1822 and 38 and 56 in 1823. Tallow fell from 18 reals the arroba in Jan. 1821 to 12 in Dec. 1822, rose from 12 to 22 by Oct. 1823 and struck an all time high at 40 in November.

The Customhouse estimate of the exports is made up nearly thus :—

Hides, ox and cow	\$3,000,000
Do. horse	300,000
Skins	250,000
Horse hair	100,000
Wool	50,000
Horns	50,000
Tallow	100,000
Specie and bullion	650,000
Jerk beef	250,000
Other articles	122,000
	<hr/>
	\$4,872,000

On the whole, in taking a prospective view of the exports of Buenos Ayres, there seems every reason to believe that they will continue to increase with her imports ; and that from a progressively greater abundance of her staple article of hides she will be enabled to give it at a lower price than now, and in this way, as before remarked, more exclusively to supply Europe than she at present does.

3rd. *Of corn and grain.*

As grain has entirely ceased to be an article of exportation from Buenos Ayres, it is not been brought under the head of the export trade, but the Committee now proceed to make some remarks on the present state of the agriculture of the country.

When the principal supplies of hides and tallow were derived from the Banda Oriental,<sup>a</sup> required for the European markets, the industry of this province was almost exclusively directed to agricultural pursuits. The country, though rich in its pasture grounds, is still better adapted in many and widely extended districts for the raising of every kind of grain and pulse, and more especially for that of wheat. Accordingly we find, up to the year 1816, the price of wheat raised in the country varied from two to four dollars per fanega (a measure giving, according to quality, from 210 to 225 lbs.) Considerable quantities of it were exported to Brazil and other quarters, and still larger quantities of flour made from it supplied the wants of Santafé, Corrientes and Paraguay.

But from 1816 agriculture declined and grazing commenced very

<sup>a</sup> See page 40.

rapidly to engross the industry and capital of the province. In 1819 wheat was imported from Chile, and the following year the North Americans first began to import flour to a small extent to this market.

Still it was considered four years ago, that the province of Buenos Ayres, though it ceased to export, could never become permanently dependent on a foreign country for corn. At present, however, the quantity of wheat produced falls far short of what is requisite for its own consumption, and Buenos Ayres is now, and has been for three years, mainly dependant on foreign countries and particularly on the United States for the major part of the flour which is consumed in the country.<sup>1</sup>

Beside the principal cause which has thus suddenly operated to destroy the agriculture of the country—viz., the greater profits derived from breeding cattle—it has been further depressed since 1819 by several local causes. In 1820 the absolute anarchy which prevailed, and the continual passing to and fro of opposing military forces, entirely ruined the crops; the following year all the crops were laid waste by continued and extraordinary rains during the harvest months; the year succeeding, not only were the crops destroyed, but almost a famine prevailed from unprecedented droughts; while incursions of the Indians during both years prevented many of the most fertile parts of the country from being cultivated at all.

As a very large proportion of the corngrowers here are not extensive farmers or men of capital or enterprize, but composed of poor people dependant for their scanty subsistence on the patch of ground which they cultivate, these continued reverses forced their industry into another channel, and also in some measure wearied out the patience of even the more opulent farmers. The consequence was that in 1823 little wheat was sown; but the harvest of that year having proved a favourable one, and excellent prices having been obtained for corn of all kinds, old agriculturists have resumed their labours, and there is every probability that the crops will be much more extensive this, than any of the preceding years now mentioned.<sup>2</sup>

<sup>1</sup> *Supra*, p. 36

<sup>2</sup> Rivadavia's repeated efforts on behalf of an improved agriculture are described in Cárcano, *Evolución histórica del régimen de la tierra pública*, pp. 16-7, 41-6, and 62-3. Immigration was encouraged and an immigration commission set up in April 1824, and two colonization enterprises were

The best quality of Buenos Ayres wheat has always been preferred in the place to that of any imported, and sold at the best price. At present it is worth about \$7 per fanega, and it has been as high, during former scarcities, as \$10-\$15 and even \$20 per fanega. The average price, however, since 1820 does not exceed \$7 best quality.<sup>a</sup>

From this sketch of the agriculture of Buenos Ayres the principal deduction to be drawn is that while the grazing interest of the country continues to give the most advantageous employment to its population, agriculture must inevitably languish. But, on the other hand, it is clear that either in the case of the grazing interest declining or of population increasing in a faster ratio than that interest can take up, agriculture will then be promoted as a lucrative object to which the industry of the surplus population may be turned.

#### 4th. *Shipping trade.*

Nothing has proved so strikingly the impulse which the trade of Buenos Ayres has received from being thrown open as the extraordinary increase in its shipping trade. While this was yet a colony of Spain no ship from Europe was ever seen in its harbour. The few vessels that annually visited the Plate—five or six at most<sup>1</sup>—

<sup>a</sup> In Appendix I will be seen the protecting duties laid on foreign wheat and flour. [See p. 61.]

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launched in England. By an arrangement with Rivadavia some 250 persons were sent out from England by Barber Beaumont in 1824, and in 1825 Beaumont joined in the Río de la Plata Agricultural Association for the purpose of settling the unemployed poor in Entre Ríos. The settlers sent out by the Association arrived, however, during the war between Buenos Aires and Brazil; and from beginning to end the whole enterprise was a disastrous failure. Beaumont took his revenge in his *Travels in Buenos Ayres and the adjacent provinces* (London, 1828). The second enterprise, that of the brothers Robertson, was more successful. A contract was drawn up in March 1824 whereby the Robertsons agreed to make an agricultural settlement at Monte Grande, and the colonists were chosen 'with a view at once to their agricultural skill and their religious and moral character'. They came mostly from the west and south of Scotland. By 1828 the colony consisted of some 514 souls; but its funds were by then exhausted and it came to an end during the wars of 1829. Dodds, *Records of the Scottish settlers*, pp. 3-62.

<sup>1</sup> F.O. 354/8 reads 'from twenty to thirty annually'. The figures for 1792 and 1796 are given *supra*, p. 29, n. 2. There were at least 43 United States vessels in the various ports of the Río de la Plata in 1802-3, and between 1798 and 1810 at least 125 touched at Buenos Aires and Montevideo. C. L.



stopped at Monte Video and there discharged their cargoes into river craft in which they were brought up to Buenos Ayres. From 1810 the arrival of vessels continued every year to increase. In 1816 eighty entered the port, and from that period the increase has been yet more rapid. For it will be seen (Appendix H) <sup>1</sup> that there entered the port,

in 1822	Foreign vessels	301	Aggregate tonnage	52,874
	National	94		5,817
	Vessels	395	Tons	58,691
in 1823	Foreign	336	Tons	50,799
	National	154		10,027
	Vessels	490	Tons	60,826

The shipping trade is chiefly carried on by England, the United States, Brazil, and Buenos Ayres itself.

The trade between Great Britain and this country is carried on exclusively in British vessels, which are also the principal carriers in the Gibraltar trade. They are generally employed in bringing salt from the Cape de Verds Islands, and occasionally between this river and the Brazils. *Temporary causes, added to the material difference in the port charges levied on British and United States vessels, have had the effect of throwing the Havana trade chiefly into the hands of the North Americans*<sup>2</sup>; but it is probable that a great part

<sup>a</sup> Spanish vessels pay tonnage duty at Havana 5 nials per ton.  
 North Americans 8  
 All others 20

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Chandler, 'United States merchant ships in the Río de la Plata (1801-1809), as shown by early newspapers' and 'United States shipping in the La Plata region, 1809-1810', *H.A.H.R.*, II (1919), pp. 26-54, III (1920), pp. 159-176. For British shipping in 1808-9 see *supra*, p. 31, n. 2. The British invasions, in 1806-7, of course, created an exceptional situation. The Robertsons, *Letters on Paraguay*, I, 96-8, describe the 'hundreds' of ships awaiting the capture of Montevideo!

<sup>1</sup> *Infra*, p. 60.

<sup>2</sup> The words italicised indicate Foreign Office underlinings. The rivalry between Great Britain and the United States for the trade of Cuba was of old standing. The United States had maintained a consul or consular agent in Cuba fairly regularly after 1797, and the preeminence of their trade, in relation to British, had only been interfered with in 1808-9 and during the war of 1812.

of it will be carried on by the English, who would also engross the China trade were a direct intercourse permitted with that country.

The United States find a considerable employment for their shipping interest here. Their numerous vessels which come loaded with flour take cargoes of beef to the Havana, and they possess so exclusively this trade that last year about 25 American vessels were dispatched for the island of Cuba. They have also the China trade, take returns to the United States, and are the principal carriers of mules, etc., to different quarters.

The Brazilians employ their own vessels in the active intercourse they keep up from Rio Janeiro and the southern parts of their coast, as Rio Grande, Parnagua,<sup>1</sup> etc.

The national vessels are small and entirely confined to the coast of this continent; very few even trade to Rio Janeiro, their principal traffic being with Monte Video and the interior provinces on the River Parana.

#### 5th. *Of the internal trade of Buenos Ayres.*

The protracted course of the revolution in this part of South America has been, as was to be expected, very unfavourable to the internal trade of the country. The mutual jealousies which have existed among the different provinces, the civil wars which have

R. F. Nichols, 'Trade relations and the establishment of the United States consulates in Spanish America, 1779-1809', *H.A.H.R.*, xiii (1933), pp. 289-313; D. B. Goebel, 'British trade to the Spanish colonies, 1796-1823', *A.H.R.*, xliii (1938), pp. 296-303. Between 1793 and 1818, trade had been carried on, with intermissions, under temporary royal concessions or local regulations. On 18 Feb. 1818 a royal order declared the ports open to foreign commerce, and this permission was amplified by decree of the Cortes on 27 Jan. 1822. Finally on 9 Feb. 1824 Spain recognized a *fact accompli* and extended permission to trade to all American ports. Zamora y Coronado, *Biblioteca de legislación ultramarina*, ii. 271-2; *Colección de los decretos y órdenes generales*, viii. 250; *B.F.S.P.*, v. 1004; x. 865; xi. 864. In 1824 the British agent at Havana reported that British shipping at Havana in 1823 was less than 17,000 tons, while that of the Americans between Cuba and their own ports was 83,000 tons, and the tonnage they employed in the carrying trade with the ports of other nations 24,000 tons. H. T. Kilbee to Planta, 6 Jan 1824, F.O. 72/304. This superiority was ascribed to the fact that American vessels paid \$1 per ton in tonnage dues and British vessels \$2½, a differential rate which the local authorities defended on the ground that English port dues were higher than American. Kilbee to Planta, 2 May 1823, F.O. 72/275. As a result of Foreign Office remonstrances Kilbee was able to report on 11 Dec. 1824 (F.O. 72/304) that in future the higher duty would also be levied on American ships. But American shipping continued to exceed British.

<sup>1</sup> Paranaguá.

distracted them and continually interrupted their communication one with another, and the occupation of many of them at different periods by hostile armies, have not only retarded the general commercial prosperity of the whole, but they have altogether put an end to many branches of extensive and lucrative traffic which they formerly enjoyed.

The truth of this position is most strongly exemplified in Paraguay. This rich and populous province in former years, and up to 1816, annually sent from its capital, Assumption, 40,000 bales of Paraguay yerba maté or tea, 1,000,000 to 1,250,000 lbs. of leaf tobacco, a great quantity of every kind of timber of the finest quality for all the purposes of house and shipbuilding, agriculture, etc.; sugar, molasses, rum, earthenware, etc.

It employed 120 vessels of from 20 to 130 tons burthen, besides sending annually a great number of rafters<sup>1</sup> and flat-bottomed craft, constructed for the conveyance of their lumber and produce down the river.

The value of all this produce was generally about \$1,500,000 to \$2,000,000,<sup>2</sup> and Paraguay was paid for it by manufactures and foreign merchandize of every kind—flour, wines of Mendoza and San Juan, cattle from Entre Rios, woollens from Cordova, etc.

One half of the yerba maté sent from Paraguay was landed at Santafe, and thence the greatest part of it was conducted on mules to Chile, which gave rise to an active traffic to that country.

From the year 1812, the time that Francia, the present ruler of Paraguay,<sup>3</sup> came into power, the trade to that province began to suffer partial interruptions. As his power increased his capricious and arbitrary character more fully displayed itself, and he was continually shutting his ports on frivolous prettexts. The disturbances which prevailed in the provinces which lie on either side of the Parana were sometimes the cause of detention to vessels coming down from Paraguay; and on the last instance of this kind, in 1821, Francia finally closed all communication with this and the other provinces.<sup>4</sup> A great number of vessels and large properties were

<sup>1</sup> Rafts. F.O. 354/8.

<sup>2</sup> See J. P. and W. P. Robertson, *Letters on Paraguay*, iii. 216-9.

<sup>3</sup> *Supra*, p. 17, n. 2.

<sup>4</sup> It must be admitted that Francia had not lacked provocation. In 1817, for example, Buenos Aires had prohibited the importation of Paraguayan tobacco until Paraguay should be incorporated 'with the rest of the nation'. Báez, *Ensayo sobre el Doctor Francia*, pp. 92, 101. *Registro Oficial*, i, no. 1037. 16 British subjects detained by Francia were eventually released through the

detained in his ports, and a state of the strictest nonintercourse has been maintained from that to the present time.

It is to be presumed that this unnatural state of things cannot last much longer,<sup>1</sup> and when an intercourse is resumed with Paraguay, it is unnecessary to say that a great additional activity and extent will be given to the trade of Buenos Ayres.

Paraguay lies on the southern tropic, and yields an abundance of many of the most valuable productions peculiar to warm climates, including cotton, rice and coffee; but at present the last is not cultivated at all, and the two former only to a small extent.

It has already been shewn (page 40) how much Corrientes, Entre Rios, and the Banda Oriental have suffered in the chief article of their produce, *hides*, by the revolution, the consequence of which has naturally been a great diminution of their general commercial importance. They cannot now afford to take the same quantity of foreign merchandize which they did in former years, and their general poverty has latterly checked that increasing course of population which alone can be looked to as the means of restoring these extensive regions to a state of opulence and prosperity. With the Banda Oriental we have now little connexion. The produce of the other two provinces is brought in river craft from the towns of Corrientes, of the first, and those of Parana, Arroyo de la China, etc., of the second.

Santafe has principally suffered from the interruption of the trade with Paraguay. As the depot of the produce of that country destined for Chile, and of the returns from Mendoza, Cordova, etc., the town of Santafe was a place of considerable trade and importance; and it also possessed a source of increasing riches in its traffic in mules to Upper Peru. At present it merely furnishes a portion of the common produce of the country and it can only look for greater prosperity in a renewal of its old trade.

The direction in which least interruption has taken place in the interior traffic has been between Buenos Ayres and Mendoza, and accordingly this last, with San Juan and San Luis have not suffered in their trade. The principal produce of these provinces is wines and brandies; and though the quality of the former is very inferior, there are few finer countries in the world for the cultivation

interposition of Parish, but he failed to secure the release of the distinguished naturalist and companion of Humboldt's travels, Aimé Bonpland. List of British Subjects released from Paraguay . . . 5 April 1825, F.O. 118/2.

<sup>1</sup> It lasted till Francia's death in 1840.

of the vine than Mendoza and San Juan present. These provinces also raise excellent wheat, and in sufficient abundance for all their wants; they send considerable quantities of dry fruits; and since hides rose to their present high prices, regular supplies come down to Buenos Ayres from this direction of the interior.

But the trade of greatest importance which was formerly carried on in this country was that to Upper Peru, and all the provinces leading to it—Cordova, Tucuman, Salta, etc. While there was no interruption to this trade Buenos Ayres supplied all those rich provinces of her Viceroyalty (properly situated in Peru) and also the whole of the interior of the upper part of that country. The consumption of foreign merchandize of every description was very great in these extensive, rich and populous provinces; and had the communication continued uninterrupted, and the working of the mines been unimpeded by the contending political interests of Spain and the patriots, it may be safely averred that the trade of Buenos Ayres would, at this time, have been more than double its present extent.

The well known produce of Upper Peru is the precious metals, and with these she paid almost exclusively for the goods, etc., which she received. The provinces of Peru enumerated on page 34, and with which we have now no licit communication, would probably take off, with a free trade, five or six millions of dollars worth of goods, and pay for the same from the produce of their mines and other articles of export, as bark, fine wool, cochineal, etc. The introduction of mules, too, into Peru was a very lucrative trade for the lower provinces—from 20,000 to 30,000 being carried up every year, for which high prices in specie were paid.<sup>1</sup>

At present our communication in this direction extends to Salta only, through Cordova, Tucuman, and Santiago del Estero, and embracing Rioja and the valley of Catamarca. But the trade to all these provinces together is inconsiderable. They have indeed the mines of Famatina, which are said to be very rich, but they are very little worked.<sup>2</sup> From Salta a small contraband trade is carried

<sup>1</sup> From 1760 to 1780 from 40,000 to 50,000 mules were sent annually from Salta to Upper Peru. See the discussion in Denis, *La République Argentine*, pp. 42-3.

<sup>2</sup> A company which proposed to work these mines amongst others was floated in 1824 under an 'authority' improperly given by Rivadavia. When F. B. Head, in charge of its operations, arrived at Buenos Aires, he discovered that the mines had been disposed of to rival companies. In particular 'several of the most wealthy and respectable merchants of Buenos Aires', including at

on to Jujui and Potosi, and some specie is got from these quarters. Their other returns are in fur skins, vicuña wool, and hides from Tucuman and Salta ; cotton wool and red pepper from Catamarca ; and hides, coarse woollens and blankets from Cordova.

An immense obstacle to active intercourse with the distant provinces towards Chile and Peru is found in the difficulty of land carriage. Goods are taken from Buenos Ayres to Salta, a distance of 400 leagues, in heavy carts or waggons, the hire of each being from \$250 to \$350 each, and from two to three months being consumed in performing the journey. To other parts the time and expence required are in proportion, and from Salta forwards all the goods are transported by mule carriage.

If the population of the country were greater and no political obstacles checked the progress of commercial enterprise, this immense disadvantage of land carriage would speedily be removed ; for there are several very fine navigable rivers leading from Buenos Ayres to all parts of the interior. Towards Peru the Rivers Vermejo and Pilcomayo, branching off from the Paraguay, lead to Salta, Jujui, Tarija, La Paz, etc. ; and there is indeed already a project on foot, under the auspices of the Government of Buenos Ayres and that of Salta, for navigating the Vermejo, which has long been ascertained to be quite practicable.

On the whole, whatever the trade of Buenos Ayres is now, it is clear that it derives hardly any benefit from its great natural advantages. The course of events must necessarily soon call into action the great resources of the surrounding countries, and whenever they are left to their own free operation the trade of this city will, in all probability, assume a magnitude and importance altogether un contemplated in its present narrow sphere of action.

6th. *General regulations and miscellaneous remarks.*

Having now given a general view of the trade of the provinces of the River Plate, it only remains to advert to some general and miscellaneous points, which could not properly come under any of the heads already discussed.

least one of the authors of the above report, had founded the Famatina Mining Company. After visiting what mines he could there was nothing left for Head to do but to return to England where he published his blistering *Reports relating to the failure of the Rio Plata Mining Association* (London, 1827). The Famatina Mining Company itself was no more successful. See English, *Guide to the companies formed for working foreign mines* ; J. A. B. Beaumont, *Travels in Buenos Ayres* (London, 1828), pp. 24-5.

At the opening of this report (page 34) it has been generally stated that at the commencement of the late administration (Mr. Rivadavia's), a liberal and encouraging system was adopted with regard to trade, and it has been continued, in an undeviating course, down to the present time.

In Appendix I will be found the tariff of duties of every kind now levied here, with the mode of collecting them.<sup>1</sup> The moderation of its rates and the simplicity of its details have proved highly advantageous to trade. To appreciate the present tariff sufficiently we ought to compare it with those formerly in force, which from their complication and extravagant rates were a continual source of discontent; and which, as has already been shewn, while they created much dissatisfaction among the great mass of the people, produced a revenue as far inferior to the wants of the Government as it was to the real resources of the country.

It may be safely said that the average of the present rates of duty does not exceed one half of what it has ever been at any former period; and it is highly interesting to remark, that low as they are, they have produced perhaps double the revenue which has ever been raised under any other system. In 1822 the amount of duties collected at the Customhouse was about \$1,900,000,<sup>2</sup> while in the time of the Spanish dominion it has been seen that all the duties, imposts and exactions together only produced about \$500,000.

There are no articles whatever prohibited absolutely; there are only a few taxed heavily in order to favour the manufactures or labour of the country; importations by vessels of the country enjoy no exclusive privileges, saving a difference of duty on Patagonia salt of no moment; and no nation is favoured more than another.

The tonnage dues on all shipping are light, and are detailed in Appendix K<sup>3</sup>.

There is no port where goods can be bonded, but all merchandize can be reshipped within six months after the date of its importation on being duly examined at the Customhouse, in which case a duty of two per cent. is payable at the time of shipment<sup>4</sup>; and when

<sup>1</sup> *Infra*, p. 61. Ley de Aduana para el año de 1824. . . 25 Nov. 1822, *Registro Oficial*, ii, no. 1636.

<sup>2</sup> Cf. Statement of the receipt and expenditure of the Province of Buenos Ayres, 1822, *B.F.S.P.*, x. 1014.

<sup>3</sup> *Infra*, p. 62. See laws of 12 Dec. 1823 and 28 Nov. 1822, *Registro Oficial*, ii, nos. 1707, 1635.

<sup>4</sup> Law of 23 Jan. 1822, *ibid.*, ii, no. 1569.

the bills for the import duty are due and paid, the amount of the same is returned on application to the Customhouse treasury.

The only demands or taxes of a local nature, and to which natives and foreigners are equally subject, is a direct contribution on capital,<sup>1</sup> and trading licences. The former has been levied hitherto so mildly that the whole contribution has not produced more than \$40,000 per annum ; and the latter is only \$15 to \$60 per annum, according to circumstances, for each trading establishment.

In the present state of the country, there is no point in the interior to which it can be considered necessary to send consular agents ; but were a free communication restored, it might hereafter be advisable to have a vice consul in Paraguay, and perhaps one also at Potosi.

The Committee believe they have now gone over all the points on which H.M. Consul-General has desired information. It is evident from the general tenor of this report, sufficiently sustained, as the Committee hope, by documentary evidence, that the trade of Buenos Ayres has been gradually increasing in importance since it was thrown open to the general competition of European nations ; that it is now in a flourishing state, considering all the drawbacks it has suffered from the country's long continuance in a state of revolution and a want of unanimity and general intercourse between the provinces ; and in conclusion, that when once political order and stability are restored, and the country consolidated in a general union, the trade of the River Plate will be found susceptible of an immense extension, and must ultimately prove of very great importance to the commercial interests of Great Britain.

<sup>1</sup> Hansen, *La moneda Argentina*, pp. 144-5.



[Appendices]

A. List of exports in produce from Buenos Ayres and Montevideo to Spain during the year 1796

874,593 ox hides	451,000 horns
43,752 horse hides	3,223 cwt. copper
24,436 skins	4 " tin
46,800 arrobas (25 lbs) tallow	2,541 tanned hides
771 " vicuña wool	222 doz. dressed sheep skins
2,254 " common do.	2,128 cwt. jerked beef
291 " guanaco do	185 " cured pork
11,890 goose wings	

Valued at \$1,076,877.

B. Customhouse revenue for the year 1803

	Dollars	Rials
Almojarifazgo, or Customs duty, 3 and 7 per cent.	\$96,169	7½
Do. on Exports	1,331	3½
Exports of slaves	34,624	3½
Export of produce	1,376	
General Customhouse duty 33½ per cent.	58,058	0½
Alcavala (a universal Spanish duty on sales of every kind, here regulated at 4 per cent)		
— maritime	87,463	
— on land and contracts	79,950	1
— on goods exported	34,259	7
— on shops, warehouses, etc.	14,171	5½
Restitutions	5,273	3½
Confiscations	2,955	0½
Donation	56	
Media annata, or duty on salaries and pensions	255	5
Permits	1,196	5½
Stores	5,345	0½
For 1803	\$421,486[5]	3½
For 1804	\$605,326	3½
For 1805	\$529,133	5½

*C. Exports of the produce and manufactures of the United Kingdom from Great Britain to Buenos Aires in the year ending the 5th January, 1819*

Species of merchandize exported		Value as ascertained under the declaration of the exporters	
Apparel		£9,474	3
Beer and ale		5,008	17 3
Cabinet and upholstery wares		4,452	12
Coals		1,132	11
Cordage		589	
Cotton manufactures		333,299	16 4
Earthenware of all sorts		7,641	10
Glass of all sorts		11,511	11 1
Haberdashery and millinery		12,074	
Hardwares and cutlery		19,780	12
Hats of all sorts		10,342	3 4
Iron and steel, wrought and unwrought		8,390	3
Leather do. and do.		3,420	14
— sadlery and harness		3,555	10
Linen manufactures		27,839	6
Musical instruments		2,393	15
Painters' colors and materials		1,464	10
Pickles and sauces		626	10
Plate, plated ware, jewellery and watches		2,825	3
Salt		832	
Silk manufactures		16,306	
Slops		3,978	15 6
Stationery		1,559	19
Sugar, refined		—	—
Tin and pewter wares		1,243	6
Woollen manufactures		227,986	4 5
Other articles		13,069	8 10
		£730,808	— 9
Foreign and colonial merchandize, viz :—		Value thereof as calculated at the fixed official rates	
Cod fish		1,074	
Iron in bars		—	
Linsens, German and Russian, plain		542	17 3
Piece goods of India		4,429	9 5
Spirits, brandy		5,388	5
Geneva		360	5
rum		2,395	16
Wines		1,083	7 3
Wood, deals and deal ends		127	10
masts under 12 inch diameter		10	10
Do. 12 inches and upwards		562	10
Other articles		410	15 5
		16,385	5 4
		£747,193	6 1

*Notes.* In addition to the above articles England exports to Buenos Ayres all sorts of arms and powder, which are in better demand and bear a higher price than those of other countries.





*E. Importations of Spanish and Sicilian produce in the year 1823*

Red wines	whole pipes		5,085	
	half do.	668	334	
	quarter casks	99	24½	
	barrels	290	48½	
	Stock on hand on 1st Jan. 1823, about			5,492 pipes 1,000 „
White wines	whole pipes		622	
	half do.	166	83	
	quarter casks	3,455	863½	
	barrels	3,095	515½	
	Stock on hand on 1st Jan. 1823, about			2,084½ pipes 300 „
Brandy	whole pipes		472	
	half do.	34	17	
	quarter casks	81	20½	
	barrels	672	112	
	Stock on hand on 1st Jan. 1823, about			621½ pipes 300 „
Olive oil	jars			
	casks			4,305 95½
Paper	white	bales	627	
	brown	do.	711	1,338
Maccaroni		boxes		1,749
Olives		jars		7,436

*Note.* Of the above imports about  $\left\{ \begin{array}{l} 300 \text{ pipes of red wine} \\ 75 \text{ „ „ brandy} \\ 1,000 \text{ jars} \\ 52 \text{ pipes} \\ 200 \text{ boxes maccaroni} \end{array} \right\}$  olive oil were from Sicily.

*Imports of Spanish produce in the first 6 months of 1824*

Red wines	pipes		3,189	
	half pipes	751	375½	
	quarter casks	294	73½	
	barrels	65	10½	
	Stock on hand on 1st Jan. about			3,648½ pipes 400 „
White wines	pipes		2,233	
	half pipes	226	113	
	quarter casks	5,563	1,390½	
	barrels	1,931	482½	
	Stock on hand on 1st Jan. about			4,219½ pipes 150 „

*Imports of Spanish produce in the first 6 months of 1824—contd.*

Brandy	pipes		676	
	half pipes	126	63	
	barrels	3,532	588 $\frac{3}{4}$	1,327 $\frac{3}{4}$ pipes
	Stock on hand on 1st Jan. about			100 "
Olive oil	pipes			169 $\frac{1}{2}$
	jars			41,679
	Stock on hand on 1st Jan. about			52 pipes
Paper	white	bales	593	
	brown	do.	491	1,084
Maccaroni		boxes		2,523
	Stock on hand on 1st Jan. about			100
Olives		jars		11,674

*Note.* Of the above imports about  $\left\{ \begin{array}{l} 500 \text{ pipes red wine} \\ 15 \text{ do} \\ 900 \text{ jars} \\ 300 \text{ boxes maccaroni} \\ 50 \text{ bales white paper} \end{array} \right\}$  olive oil } were from Sicily and Genoa.

*Remarks*

The trade between Spain and Buenos Ayres since the declaration of independence by this province has been carried on almost exclusively through Gibraltar, and although when its independence is recognized by Spain a more general intercourse will naturally be established with that country, still many circumstances will combine to retain a large portion of it in the old channel. The convenient situation of Gibraltar for exportation from Spain to South America, the lowness of the port charges, the abundance of British and foreign shipping at all times to be found there, and, more than all, the facilities afforded by British capital, have in some measure rendered that market a depot for all the productions of the east coast of Spain: for by enabling speculators to ship assorted cargoes of all the different exports of Spain at the same port, the expences of transporting them thither are more than compensated by the higher prices they must always under these circumstances command.

The imports from Spain at this port consist principally of brandy, wine, olive-oil, paper, dried fruits, olives, and a small quantity of Murcia sewing silk, velvets, serges, etc. The returns are made almost exclusively in ox, cow, and horse hides.

Previous to the year 1822 the very high duties on Spanish produce, particularly on wines and spirits, added to the very irregular and partial manner in which these duties were exacted, greatly reduced the consumption and rendered it almost impossible for the fair trader to import them with any reasonable prospect of success, but on the first of October of that year the duty on wine was reduced from 34 $\frac{1}{2}$  per pipe to 25 per cent. and on brandy from

45\$ per pipe to 30 per cent. ad valorem—and this last was on the 1st January 1824, reduced still further to the same rate as is levied on wines. Since this modification of the duties has begun to take effect, the trade has assumed a more regular form and it now is decidedly in a state of progressive increase. The annexed lists will shew the imports of Spanish produce which took place in 1823 and the first half of this year, which will give a general idea, though not a very correct one, of the capacity of this market. The importations in 1823 were considerably less than might have been introduced with a fair profit to the speculator, and the prices consequently were maintained throughout the year extravagantly high. This, joined to a very favorable crop in Spain, has had the natural effect of inducing large shipments to this quarter, and the importations in the first half year of 1824, particularly of sweet wine and olive oil, have rather exceeded the consumption. On the closest calculation which it is possible to form from the very short time the trade has as yet been left to its own free operation the quantity which this province at present could consume with a fair mercantile profit to the importer may be stated at 4,000 pipes sweet and 400 pipes dry Malaga wine, 7,500 pipes red Catalonia wine, 1,750 pipes brandy, 20,000 arrobes of oil, 18,000 reams of white and 15,000 reams of brown paper, but these estimates must increase every year while the province continues in its present flourishing state. Occasional imports of red wine and brandy take place from Sicily and France, and the amount of these must be deducted from the above estimates to ascertain the probable amount of the consumption of Spanish produce. The latter is always preferred in this market, and the amount imported of the former (both together certainly does not exceed one sixth of the whole, of which a considerable portion is also received through Gibraltar) is inconsiderable.

In the course of time this trade may in some degree be checked by the production of the neighbouring provinces—the wine and brandy, viz. of San Juan and Mendoza, but many years of internal prosperity must pass over before they can affect it materially. These articles as now produced are so limited in quantity and so inferior in quality to those of Spain that they cannot as yet be said to come at all in competition with the trade.

Of silk and other manufactures of Spain there is a continual but altogether a very limited consumption and there appears very little prospect of its ever becoming of much importance, unless circumstances should so far alter with Spain as to enable her manufacturers to enter into competition in foreign markets with the manufacturers of France.

## BRITISH CONSULAR REPORTS

*H.<sup>1</sup>—Account of vessels entered in the port of Buenos Ayres in the year[s] 1822, 1823*

	1822		1823	
	ships	tons	ships	tons
National	94	5,817	154	10,027
English	123	20,792	106	18,724
French	19	4,096	19	3,031
North American	71	15,545	79	15,680
Sardinian	8	1,377	8	1,338
Brazilian	64	5,273	105	9,274
Swedish	10	2,155	6	1,590
Danish	2	220	4	676
Dutch	2	556	6	1,076
Russian	1	110	1	110
Hamburgh			2	300
Total	395	58,691	490	60,826

*Account of vessels sailed from the port of Buenos Ayres in the year[s] 1822, 1823*

	1822		1823	
	ships	tons	ships	tons
National	72	5,768	103	7,611
English	118	19,630	113	17,422
French	13	2,725	18	3,435
North American	52	11,719	65	13,167
Sardinian	7	1,077	8	1,688
Brazilian	58	5,631	70	6,664
Swedish	8	1,807	7	1,678
Danish	1	150	5	947
Dutch	3	720	3	474
Russian	2	360	1	110
Hamburgh			3	460
Total	334	48,479	396	56,046

<sup>1</sup> In this appendix the shipping returns are given by Parish month by month. I give final results only.



Articles	1820	1821	1822	1823
Bark	7,480 lbs.	735 lbs.	5,844 lbs.	—
Beef, jerked	113,110 qs.	47,919 qs.	87,663 qs.	87,879 qs.
Copper	—	589 qs.	145 qs.	—
Flour	—	—	—	—
Hair, horse	11,409 arrs.	44,786 arrs.	38,137 arrs.	33,170 arrs.
Hides, horse	233,467	259,131	421,566	399,483
— dry and salted	442,357	441,854	590,372	578,225
Horns	419,150	351,661	673,000	756,047
Skins, chinchilla	2,957 doz.	11,086 doz.	9,077 doz.	7,565 doz.
— nutria	51,738 doz.	46,665 doz.	118,968 doz.	280,617
Tallow	52,269 arrs.	54,762 arrs.	62,400 arrs.	15,473 arrs.
Wool, sheep	8,074 arrs.	15,328 arrs.	33,417 arrs.	31,789 arrs.
— vicuña	—	4,055 arrs.	205 arrs.	—
Specie, dollars	—	77,500 \$	{ 474,633 \$ 84,690 marks 12,020 ozs.	148,765 \$
— doubloons	—	—		6,730 ozs.
Wheat	400 fs.	—		—

Besides the at wool, tin, Paraguay tea, hide cuttings, hay, etc.

llar  
ubloon



1. Quicksilver, machinery, instruments of agriculture, of sciences and arts, books, engravings, paintings, statuary, types, wools and furs for manufactures, silk embroidered with gold and silver, with or without jewels, watches, gold and silver jewellery, coal, saltpetre, stucco, lime, bricks, flagstones, timber, canes and rafters	5 per cent.
2. Arms, flintstones, powder, tar, pitch, cables, sewing and manufactured silks, etc.	10 per cent.
3. All merchandize not specified in this tariff	15 per cent.
4. Sugar, yerba maté, coffee, tea, cocoa, and provisions in general	20 per cent.
5. Furniture, looking glasses, carriages, gigs and harness, saddles and horse furniture, wearing apparel, boots and shoes, liqueurs, brandy, wine, vinegar, porter and ale, cider and tobacco	25 per cent.
6. Wheat, when its value does not exceed \$6 per fanega pays \$4 per fanega	
do. \$7	\$3 per do
do exceeds \$7	\$2 per do
Flour, when its value does not exceed \$6 per quintal pays \$4 per quintal	
do \$8	\$3 per do.
do exceeds \$8	\$2 per do.
Salt pays	4 reals per fanega
7. Hats pay	\$3 each

### Export duties

- |  |                           |
|--|---------------------------|
| 1. Ox, cow and bull hides  | 1 rial per hide           |
| 2. Horse and mule hides  | $\frac{1}{2}$ do. per do. |
| 3. Gold and silver   | 1 per cent.               |
| 4. All exports not included in the foregoing articles  | 4 per cent.               |
| 5. Jerked beef (shipped in national vessels) grain, pulse, biscuit, flour, sheeps' wool, sheeps' skins, tanned hides of all sorts, and all manufactures of the country | duty free                 |
| 6. All merchandize on transshipment pays one fifth of the import duties.   |                           |

1. Yerba maté (the value of which for the payment of duties can not be fixed above \$5 per arroba) and tobacco (which in the same way can not be valued above \$20 per arroba) 10 per cent.
2. All other articles are free of duty.

i. The value of all articles is fixed at the wholesale price of the day, which must be specified by the importer at the time of presenting his manifest for dispatching the goods at the Customhouse.

<sup>1</sup> *Supra*, p. 53, n. 1.

2. If a difference arises between the Customhouse appraiser and the importer which exceeds 10 per cent. on the value given in by the latter, it shall be left to the arbitration of three merchants who
3. shall be chosen by lot out of a list of 12, which will be named every year by the Tribunal of Commerce.
4. The arbitrators must come to a decision before they separate and their decree cannot be appealed from.
5. If the arbitrators confirm the opinion of the Customhouse appraiser, the importer pays double the amount in dispute, above the valuation fixed by the former.
6. If the difference in the value given in by the importer amounts to 30 per cent., even if he afterwards agrees to the price fixed by the Customhouse appraiser, the former pays 30 per cent. additional on the amount of duties as fixed by the latter.
7. Importers accept bills for the amount of duties, half payable at 3 and half at 6 months date, when they exceed the sum of \$100.
8. No importer whose bills have not been duly paid will be allowed to pass any goods at the Customhouse.
9. This law will be revised every year.
10. Any alterations that may be made in Customhouse duties will not take effect until 8 months after they are made publicly known by the legislature upon adventures originating beyond the Capes of Good Hope and San Augustin and 4 months on those from the coasts of Brazil, the Pacific and the east coast of Africa.

### *K. Port Charges*

All foreign vessels that load or discharge cargoes pay 4 rials per ton register, one half of which is payable on their entry inwards and the other half on their clearing outwards.

National vessels trading to the high seas pay one half of the above.

All vessels arriving or sailing in ballast, or which do not discharge any of their cargo, pay only half portcharges.

National vessels trading to the coasts of Patagonia pay no port charges.

The only charges on shipping in addition to the above are the following. —

For the visit of the health boat on arriving and sailing, if a foreign vessel	\$12 each time
For do., if a national vessel	\$6 do.
Stamp paper on loading a cargo, whether foreign or national vessel	\$20
Do., on discharging do. do.	\$10
Customhouse dues entering inwards, foreign vessel	\$9
Do. national do.	\$5½
Do. clearing outwards, foreign vessel	\$12
Do. national do.	\$7½

### III. BANDA. ORIENTAL (URUGUAY)

[F.O. 51/1.]

**Thomas Samuel Hood to George Canning.**

No. 8.

Monte Video, 16 August 1824.

In compliance with the tenth article of my instructions<sup>1</sup> I have the honor to enclose for your information a report of the trade of this place and of the Cisplatino Province.

#### **Report on the trade of Monte Video and the Cisplatino Province.<sup>2</sup>**

15 August 1824.

The trade of Monte Video and the Cisplatino province, part of the Brazilian empire, is now open to the importation of the manufactures and productions of all nations. This trade is generally effected by consignments to houses of agency, who, upon commission, supply the retail dealers in town and country; and also by sales by auction in lots not less than 100 dollars each. This system of selling is liable to a duty of  $\frac{1}{2}$  per cent. to be paid the Consulado<sup>3</sup>—a commercial court here—together with about 1 or  $1\frac{1}{2}$  per cent. to the auctioneer.

In order to bring into view the real importance of this trade it is conceived that it may be best done by quoting a term of nine

<sup>1</sup> Canning to Hood, 10 Oct. 1823 (no. 1), enclosing instructions, F.O. 51/1. Hood had served as a purser in the navy and in 1817 had acted as a deputy judge advocate in the East Indies. He was promoted to the rank of consul-general at Montevideo on 18 Aug. 1830 and retired on 8 Feb 1843. He died in 1874.

<sup>2</sup> A copy of this report is in B.T. 6/32. For the history of the Cisplatino Province, see *infra*, no. IV.

<sup>3</sup> Created on 24 May 1812 and re-established on 14 Feb 1817

months imports and exports, previous to the late disturbances, viz., from the 1 January to the 30 September 1822 :—

### *Imports*

#### Great Britain.

3,154 bales of manufactured goods	960 boxes of cutlery
252 crates of earthenware	400 tanned hides
6,600 bars of iron	303 packages of furniture
150 boxes tin plates	122 „ „ perfumery
1,123 coils of cordage	54 „ „ leather
499 casks of porter	30,000 bricks
269 tons of coals	467 barrels beef
654 barrels codfish	

#### Great Britain and the United States.

576 kegs of paint and oil	1,342 barrels pitch and tar
3,306 boxes of soap	1,159 dozen chairs

#### Spain, Sicily, Gibraltar and France.

4,027 pipes of wine	386 bales of mats
2,088 „ „ brandy	359 pipes of vinegar
2,900 bales of paper	4,530 jars of olives
12,931 jars of olive oil	691 cases of sweetmeats
5,532 boxes of raisins	5,220 cases of French wines

#### Rio Janeiro and other Brazilian ports

5,182 bags of sugar (unrefined)	354 bags of coffee
2,319 „ „ rice	351 bales of sacking
7,019 rolls of tobacco	2,750 bags of farinha
167 slaves	

#### United States of North America.

269 packages of bacon	13,491 barrels of flour
381 casks of rusks	881 „ „ of bread
72 hogsheads of molasses	185 boxes tea
230 kegs of butter	12,590 deals
391 bags of rice	

It is, however, to be observed that a part of the aforesaid importations were re-shipped for the Buenos Ayrean market, but the exact quantity cannot now be ascertained.

### *Exports*

250,000 ox and cow hides	180,000 horns
225,000 horse hides	100 bales of horse hides

The balance arising upon the difference of the imports and exports was made up in specie.

Since the period above quoted the trade of this town and province has greatly declined and it is now doing very little indeed. The causes which have produced this great retrograde change have arisen out of several circumstances.

For some time previous to the above period the province of Buenos Ayres had been in a state of much internal agitation, and as the necessary protection of persons and property became very precarious, merchants and their capital took shelter under the flag of Portugal, then in possession of this place. By those means a vast trade was opened with the provinces in the Entre Rios,<sup>1</sup> but as those turbulent passions subsided and order and regularity prevailed, the attention of the Buenos Ayrean Government was immediately directed towards the recovery of that vast trade with the Upper Provinces which had thus been thrown into the hands of their rivals, to effect which the duties on the imports of manufactured goods were modified from a high duty of nearly 33 per cent. to 15 per cent., a duty was laid upon the transit of goods of 2 per cent., and the harbour duties [were] corrected and revised.<sup>2</sup>

It happened unfortunately for this place and province that as the political parties of the Buenos Ayrean province became consolidated, new scenes of anarchy and confusion sprang up in this State, which led to a change of Government and involved it in such distress and ruin that its wants have ever since rendered it impracticable to put the duties and port charges on a corresponding footing with Buenos Ayres, in consequence of which a large part of those commodities requisite for the supply of the internal wants of this province are landed at Buenos Ayres and transhipped at the low transit duty of 2 per cent. and smuggled into this country through Colonia del Sacramento and other small places on the north side of the Río de la Plata, to the great prejudice of the upright and honest dealers and to the public revenue.

The Custom House duties for the years 1820, 1821, and 1822 averaged 1,000,000 dollars each year. The present return is about 34,000 dollars per month, and rather declining than otherwise.<sup>3</sup>

The probable encrease or further decline depends entirely upon political events, which at present it is difficult to form any very accurate opinion upon. Should the Brazils succeed in establishing its independence without further internal convulsions, and by

<sup>1</sup> *Supra*, pp. 33-4 ; *infra*, p. 82.

<sup>2</sup> *Supra*, pp. 53-4. 61-2.

<sup>3</sup> *Infra*, p. 83.

salutary laws be enabled to keep this province tranquil, there can be no doubt but that it will rise rapidly into commercial importance and be highly worthy of commercial consideration.

There are no articles of trade absolutely prohibited. The only restrictions are those reserved by treaty with Portugal, in 1810,<sup>1</sup> for the encouragement of the cultivation of coffee, sugar, rice, tobacco, etc., as therein expressed; and the vessels of this nation derive no advantage over those of foreign nations in general trade, but goods the growth and produce of Brazils imported in vessels under the Brazil flag have the privilege of paying only half duties.

Manufactured goods imported in any bottoms pay an *ad valorem* duty of 26½ per cent., upon a very low and incorrect tariff which much requires revision, with the following exceptions:—<sup>2</sup>

Flour	3 dollars per barrel
Brandy	60 dollars per pipe
Porter and ale	31½ per cent.
Wearing apparel, etc.	40 per cent.

The tonnage duty levied upon vessels entering the harbour are as follows, viz:—

2	rials per ton towards creating a fund for establishing a light house upon the island of Flores.
2	„ for each man of the crew.
4	„ for the captain.
16	„ for the vessel. These are applied to the maintenance of an hospital to which ships of all nations have the privilege of sending sick seamen.

Merchandise may be landed at Monte Video and deposited in the Custom House warehouses for 6 months from the date of the ship's entry inwards, during which period the same may be reshipped by any vessel and to any place by paying a transit duty of 4 per cent. on tariff valuation, and warehouse rent at the rate of about 6 pence per month per package. But if the said goods be reshipped on

<sup>1</sup> Treaty of commerce and navigation between Great Britain and Portugal, Rio de Janeiro, 19 Feb. 1810, *B.F.S.P.*, 1, 513-45.

<sup>2</sup> In Dec. 1813 a 25 p.c. tariff had been established at Buenos Aires on goods imported into the United Provinces. Ready made clothing, liquors and oil paid 35 p.c. *Registro Oficial*, 1, no. 590. This tariff appears to have been closely followed in that established by the *Orientales* at Montevideo in March 1815. Cf. De-Maria, *Historia de la República O. del Uruguay*, iii. 57-8. The Portuguese authorities on entering Montevideo in general maintained the existing commercial and economic system, and a 25 p.c. tariff on manufactured goods was in force from 1815 to 1826. Cf. John Jackson to Philips Wood, 24 March 1827, F.O. 51/3. An additional 1½ per cent. appears to have covered certain city dues.



board the vessel that landed them previous to her having left the port and within the time specified, the transit duty is then remitted—but should the 6 months have expired without exporting them, the right of transit is lost, and full duty must be paid; but no time is specified for their removal as long as warehouse rent is paid.

During the period that a ship is lading or unlading an officer from the Customs must be maintained and paid by the ship one dollar per day.

The port charges are equal to all nations except in the case of native vessels as already described, and are formed as follows:—

	Vessel of three masts	Do. two masts	Do. of one mast
Anchorage	\$4	\$3.2	\$2.4
Clearing harbour	2.4	2.0	1.4
Beacons, etc.	6.0	4.0	2.0
Lights	3.0	2.4	2.0
Captain of the port	4.0	2.0	1.4
Pratique boat	10.0	10.0	10.0
Visit boat	9.0	9.0	9.0
Registering crew	3.0	3.0	3.0
	<hr/>	<hr/>	<hr/>
Bill of health and roll	41.1 12	35.6 12	31.4[2] 12
	<hr/>	<hr/>	<hr/>
	\$53½	\$47.6	\$43.4[2]

The duties at the ports of Maldonado and Colonia del Sacramento are precisely the same as those of this port, but no opportunity has arisen to enable me to make a return of the extent of their trade, etc.

#### IV. BANDA ORIENTAL (URUGUAY)

[F.O. 51/1.]

**Thomas Samuel Hood to George Canning.<sup>1</sup>**

No. 9.

British Consulate, Monte Video,  
31 January 1825

In compliance with your dispatch dated the 20th of October last <sup>2</sup> requiring a detailed and authentick statement of the affairs of this province, of the nature and stability of its government, its connections political and commercial with neighbouring states, and its views with regard to old Spain, I have the honor to submit a summary of my information and opinions upon these subjects, put down as facts well authenticated, but without entering into a detail of the circumstances and reasoning upon which they may be founded.

In considering the 'state of affairs' in this province, I purpose to

<sup>1</sup> The eccentricities in spelling and grammar in this despatch are remarkable. On Hood's despatch of 31 Jan. 1826, (no. 6) in F.O. 51/2, Canning wrote:—'Really if Mr. Hood cannot learn to write English, and something like grammar, I must send someone to replace him. Such a despatch as this is a disgrace to the office. The last sentence is perfectly unintelligible.'

<sup>2</sup> 'In acknowledging the receipt of your report on the state of the trade at Monte Video, I am directed to point out to you that one of the objects of H.M.'s Government in sending a consul to that place was that they might be furnished with detailed and authentick information of the state of affairs in that country, of the nature and stability of the Government, of its connections political and commercial with other neighbouring states, and of its views with regard to old Spain. The letters which have been received from you not giving information upon the foregoing points, I am to request that you will without delay supply this deficiency as far as may be in your power'. J. Planta to Hood, 20 Nov. 1824, F.O. 51/1.

arrange my information and observations in the following order, viz :—

An historical review of the revolution; the nature and number of the population; political parties into which they are divided; the military force; state of agriculture, commerce, revenue, the Church; the administration of justice and police, and lastly the policy of General le Cor, Captain General of the province.<sup>1</sup>

*Historical review of the revolution.*

It may be remembered that the first symptom of revolution commenced in Buenos Ayres in the year 1809 in the viceroyalty of Cisneros; and that in the year following hostilities commenced against Old Spain by sending General Belgrano to occupy Paraguay.<sup>2</sup> About this time the Spanish Governor, Elio, of Monte Video,<sup>3</sup> dispatched General Nuecas<sup>4</sup> to Colonia del Sacramento with a division of troops to repel the introduction of revolutionary principles disseminated from the opposite banks of the La Plata. Amongst the troops forming this corps of observation were the regiment of cavalry called Blandengues,<sup>5</sup> usually employed as a police to prevent the lifting of cattle, and on this account they were paid by and under the immediate direction of the Junta de Hacendados. One of the most influential men in this regiment, particularly distinguished by his personal bravery and active

<sup>1</sup> Carlos Federico Lecor, Barão da Laguna (1764-1836). Lecor arrived at Rio de Janeiro in March 1816 with a picked detachment of troops from Portugal destined to conquer the Banda Oriental. On 4 June he was appointed captain general of the future province.

<sup>2</sup> Manuel Belgrano, (1770-1820). Belgrano had been placed in command of the expedition sent by the junta of Buenos Aires to enforce its authority over Paraguay. Cf *supra*, p 17, n. 2. He was defeated by the Paraguayans at Paraguari and Tacuari in Jan. and March 1811.

<sup>3</sup> Francisco Javier Elio (1767-1822), governor of Montevideo, 1807-10. In 1810 he returned to Spain and was invested by the regency with the authority of viceroy and captain general of the Río de la Plata, in succession to Baltasar Hidalgo de Cisneros, who had been expelled by the junta of Buenos Aires. He landed at Montevideo on 12 Jan. 1811, was recalled to Spain in November of the same year and left Montevideo in December.

<sup>4</sup> General Vicente Mueas.

<sup>5</sup> On the creation and function of the regiment of Blandengues see Acevedo, *José Artigas*, pp 80-1.

services, was Captain Don José Artigas (since General Artigas).<sup>1</sup> In consequence of depredations committed by the men under his command, he was severely reprimanded by his commanding officer, who insinuated that he had participated in the plunder of his troops. Enraged at this, Artigas passed over to Buenos Ayres and receiving succours from that new Government soon returned to the Banda Oriental and raised the standard of rebellion.<sup>2</sup> He was immediately joined by great numbers of the Blandengues, and raising men as he went on he marched upon and laid siege to Monte Video in 1811. In this state of emergency the Governor of Monte Video supplicated the assistance of the Portuguese court of Rio Janeiro, and upon terms which were then entered into, two divisions of Portuguese troops concentrated in the province of Rio Grande and marched upon Maldonado and Santa Lucia, which caused Artigas after 5 months to raise the siege and retire into the Entre Rios, and the Portuguese fell back on the Misiones and Uruguay which separates Brazil from the Entre Rios.<sup>3</sup> In 1812 the Buenos Ayreans made a second attack upon the Banda Oriental marching a large body of men under General Sarreatea,<sup>4</sup> upon

<sup>1</sup> *Supra*, p. 40, n. 2. The best short account of Artigas in English is the paper by P. A. Martin in *H.A.H.R.*, xix (1939), pp. 2-15.

<sup>2</sup> From his first arrival as Viceroy Elío adopted a threatening attitude towards Buenos Aires, which refused to recognize his authority. Buenos Aires had already been blockaded once by the authorities in Montevideo, and the blockade raised by English intervention, and now, in Feb. 1811, Elío declared war. Ruiz-Guiñazú, *Lord Strangford y la revolución de Mayo*, pp. 151-69, 184-7; Manchester, *British preëminence in Brazil*, pp. 129-30. The reasons for the flight of Artigas are to be found as much in the threatening attitude of Elío as in his quarrels with Mueas. Acevedo, *Artigas*, pp. 356-8.

<sup>3</sup> Revolt in the Banda Oriental began on 28 Feb. 1811, and on 18 May Artigas defeated the Spaniards at Las Piedras. He then laid siege to Montevideo where he was joined by the Porteño general, Rondeau. Meanwhile Elío appealed for Portuguese aid. The news both of the disastrous defeat of the Porteño troops at Huaqui in Upper Peru, and of the advance of the Portuguese, inclined the authorities of Buenos Aires to make terms, and an armistice was signed on 20 Oct. Calvo, *Anales*, 1. 356. There followed the famous emigration of the Uruguayan people to the banks of the Ayuí. Cf. Acevedo, *Artigas*, pp. 357-83, and *Anales históricos*, 1. 91-110; C. L. Fregero, *Estudios históricos sobre la revolución de Mayo* (2 vols., Buenos Aires, 1930), 1. 81-135.

<sup>4</sup> Manuel de Sarreatea (1774-1849), a member of the first triumvirate, was appointed commander-in-chief of the army in the Banda Oriental. The conflict had been renewed early in 1812. Each side accused the other of infractions of the October treaty. Elío's successor, Vigodet, complained of the activities of Artigas, and the Porteños that the Portuguese troops remained

Monte Video, then governed by a Spaniard, I believe, Vigodet<sup>1</sup>; but as much importance was placed upon the alliance of Artigas, and as Sarratea was obnoxious to him, General Rondeau was appointed to command the Buenos Ayreans, to whom Artigas was hastening when the former defeated the Spaniards in the battle of the Serreto, which however did not give possession of Monte Video.<sup>2</sup> Artigas joined General Rondeau as an auxiliary, but the Buenos Ayrean and Oriental troops occupied separate stations and fought under their respective national colours and obeying only their own officers. Before Monte Video surrendered a serious quarrel took place between Artigas and Rondeau in consequence of excesses committed by Indians who formed the body guard of the former. It is also said that he had received intimation of secret orders that Rondeau had received to arrest and send him to Buenos Ayres. In consequence he retired in the night almost alone,<sup>3</sup> but in a few days was followed by nearly the whole of the troops late under his command.

in the province. War between Brazil and Buenos Aires was only averted by the diplomacy of Lord Strangford, the British minister at Rio de Janeiro, whose agent, Lt.-Col. Rademaker, concluded an armistice between the two governments on 26 May 1812. The Portuguese troops then withdrew. To Strangford's annoyance, Montevideo was not included in this armistice, and the Portefios began the second siege of the city in October. Calvo, *Anales*, II, 53; Ruiz-Guiñazú, *Lord Strangford y la revolución de Mayo*, pp. 210-32; Manchester, *British preëminence in Brazil*, pp. 131-4; Acevedo, *Artigas*, pp. 394-8.

<sup>1</sup> Gaspar Vigodet was appointed interim Governor of Montevideo on 5 Aug. 1810, during the absence of Elío, and in Nov. 1811 succeeded Elío as captain-general.

<sup>2</sup> Disputes between Sarratea and Artigas culminated in a proclamation issued by Sarratea on 2 Feb. 1813, denouncing Artigas as a traitor. C. L. Fregeiro, *Artigas, estudio histórico, documentos justificativos* (Montevideo, 1886), p. 141. Mutiny among Sarratea's own officers, however, compelled him to retire. Meanwhile General Rondeau defeated the royalists at Cerrito, just outside Montevideo, on 31 Dec. Bauzá, *Historia de la dominación Española*, III, 146; Acevedo, *Artigas*, pp. 398-416.

<sup>3</sup> 20 Jan. 1814. Hood neglects the real point at issue. A general constituent assembly of the United Provinces had met at the end of Jan. 1813, but this body, in June, refused to admit deputies from the Banda Oriental with instructions from Artigas, dated 13 April, which demanded a declaration of independence from Spain and the recognition of the provincial autonomy of the Banda Oriental in a federal system. The intention of Buenos Aires to replace Spanish authority in the Banda by its own seemed obvious, and in Dec. 1813 a provincial assembly, dominated by Rondeau, met at Capilla Maciel and was forced to recognize that authority. Barbagelata, *Artigas*, pp. 260-1; Acevedo, *Artigas*, pp. 416-49, and *Anales*, I, 130-51; Ravignani, *Historia constitucional*, I, 217-22.

In 1813 [by] the successful exertions of Admiral Brown (an Englishman in the pay of Buenos Ayres)<sup>1</sup> the Spanish squadron was annihilated and Monte Video surrendered to General Alvear (who had succeeded Rondeau) by capitulation,<sup>2</sup> on terms securing many advantages to the royalists; but as soon as the city was given up, Alvear, in the most shameless manner, refused to fulfil the convention.

As the Orientals never contemplated coming under the authority of Buenos Ayres, and as the latter had shewn that domineering spirit which sooner or later disgusted the whole of the neighbouring provinces, they looked with much dissatisfaction upon the occupation of their capital by the Buenos Ayreans, adding to which it was proposed and even discussed by that Government to shut the port of Monte Video, in order that the whole trade of the river might centre in Buenos Ayres.

General Artigas, in the mean time, having augmented his forces, the Orientals (for so the people of this province call themselves) advanced to the relief of Monte Video, but General Alvear compelled them to retire beyond the Rio Negro. At this time and under the existing circumstances he [Artigas] entered into an alliance with Buenos Ayres, but it was made with distrust on both sides.<sup>3</sup> Artigas, with the recent example before his eyes of the bad faith of the Buenos Ayrean government, shewn in their total contempt of capitulation made by the old Spaniards, knew that they would only observe the conditions of the alliance so long as it suited their views and convenience. He determined therefore to act upon the same principle, and began to strengthen himself and prepare for an attack on Monte Video.

In 1815 he accordingly laid siege to the city, which at that time was governed by General Soler.<sup>4</sup> The Buenos Ayrean government,

<sup>1</sup> William Brown (1777-1857). For the career of this intrepid Irishman see Mulhall, *The English in South America*, pp. 144-69.

<sup>2</sup> Carlos Maria de Alvear (1788-1852), superseded Rondeau in command of the besieging forces on 17 May 1814. Montevideo surrendered on 20 June. On the broken capitulation see Bauzá, *op cit.*, iii. 194-9, 204-6; Acevedo, *Artigas*, pp. 464-70. On 10 Jan 1815 Alvear became Supreme Director of the United Provinces.

<sup>3</sup> These statements are very inexact. For Alvear's negotiations with Artigas see Acevedo, *Artigas*, pp. 483-4; Barbagelata, *Artigas*, pp. 92-5. Varela, *Historia constitucional*, ii. 412-15, expresses an Argentine view.

<sup>4</sup> Miguel Estanislao Soler. The Portefio forces were defeated by Artigas's lieutenant, Fructuoso Rivera, at Guayabos on 10 Jan. 1815.

finding themselves hard pressed and being in want of their troops at home, evacuated Monte Video <sup>1</sup> and the Banda Oriental, carrying with them 300 pieces of brass cannon, government stores, vessels of war, and every thing that was moveable; besides permitting and even encouraging individuals to remove the materials of houses in the city and suburbs that had been left unoccupied by families who felt themselves obnoxious to one or the other of the contending parties, or alarmed at the danger of living in or near a besieged fortress had retired to places of greater safety. Numbers of the houses thus destroyed remain to this day a beacon to the rapacious spirit of the Buenos Ayreans.

General Artigas did not himself enter the city of Monte Video but nominated one of his officers, Don Fernando Otorgues, to be Governor, an ignorant and despotic man as notorious for his cruelty as his bravery.

Soon after this, the Government of Buenos Ayres, through the Director Alvarez, declared the Banda Oriental independent,<sup>2</sup> whilst at the same moment he appears to have been negotiating a treaty with Rio Janeiro through the deputy Don Manuel Garcia <sup>3</sup> for their occupation of that province in consequence of its having become dangerous to their states through the rising influence of Artigas. In consequence of this arrangement or treaty the Portu-

<sup>1</sup> 24 Feb. 1815.

<sup>2</sup> Ignacio Alvarez Thomas, appointed provisional director of the United Provinces in April 1815. Artigas was now at the height of his power. He was widely acclaimed as the Protector of the Free Peoples, and Entre Ríos, Corrientes, Santa Fé, Misiones and Córdoba accepted his leadership, in the *Liga Federal*. On the fall of Alvear on 15 April 1815 the new authorities in Buenos Aires opened negotiations with the great *caudillo*, and a commission was sent to negotiate peace on the basis of the independence of the Banda. Calvo, *Anales*, ii. 293-8; Acevedo, *Artigas*, pp. 543-51.

<sup>3</sup> Manuel José Garcia arrived at Rio in Feb. 1815 as the confidential agent of the Portuguese Government. The object of Garcia's mission was first to secure, in negotiation with Strangford, an English protectorate over the Río de la Plata; then he remained engaged in plans for the establishment of a monarchy under the house of Braganza. Calvo, *Anales*, ii. 232-4, 252-8; Ruiz-Guiñazú, *Lord Strangford y la revolución de Mayo*, pp. 263-7; Manchester, *British preëminence in Brazil*, pp. 139-40; Villanueva, *Bolívar y el General San Martín*, pp. 27-33, 53-7; Mitre, *Historia de Belgrano*, iii. 182-4. The whole episode is highly controversial. The Uruguayan view is that the Portuguese invasion was agreed to by Alvarez, and tolerated if not encouraged by his successors, Balcarce and Pueyrredón. Acevedo, *Artigas*, pp. 591-663. The Argentine view will be found in Mitre, *Historia de Belgrano*, iii. 182 ff., and Adolfo Saldías, *La Evolución republicana durante la revolución Argentina* ('Biblioteca Ayacucho', Madrid, 1919), pp. 105-31.

guese in three divisions under General Le Cor<sup>1</sup> passed the frontier in 1816, and on the 20 January 1817, entered the city of Monte Video by capitulation. Upon this Artigas retired to the Uruguay for the winter, but the ensuing year he returned to the blockade of the Portuguese in Monte Video, which proving unsuccessful he raised. About this time General Le Cor separated from Artigas his second in command, Don Frutoso Ribeiro,<sup>2</sup> who for himself and the other Orientals in arms in the province entered into capitulation in November 1819, which put an end to hostilities and established the Portuguese authorities through this province.<sup>3</sup>

In the same year Artigas passed into Entre Rios, where he carried on war against the partizans of Buenos Ayres, and in 1820 after various defeats and disasters, having but few followers left, he delivered himself up to Francia, Governor of Paraguay, where he has remained ever since.<sup>4</sup>

In the autumn of 1820 deputies met from the principal towns and departments, who entered into a formal act of union which annexed this province to the United Kingdom of Portugal, Brazil and Algarve as a federate state, called El Estado Cisplatino.<sup>5</sup>

On the change of affairs between Brazils and Portugal in 1822, General Le Cor, whose head quarters were then at St Jose, declared his intention to support the new Emperor of Brazil in opposition to the constituted Government of Portugal.<sup>6</sup> He was joined by the Brazilian troops and a considerable number of natives. Don Alvero,<sup>7</sup> Le Cor's second in command, at the head of the Portuguese division of Royal Volunteers held Monte Video for the constitutional Government of Portugal, assisted by the cabildo and inhabitants

<sup>1</sup> *Supra*, p. 69, n. 1.

<sup>2</sup> Fructuoso Rivera (1778-1854), destined to become in 1830 the first president of Uruguay.

<sup>3</sup> For the actual course of the military operations see Acevedo, *Artigas*, pp. 835-56, and Bauzá, *op. cit.*, iii 282-306. Some of the lieutenants of Artigas made terms in Dec. 1819, but Rivera did not enter into capitulation till March 1820 after the decisive defeat of Artigas at Tacuarembó on 22 Jan. De-Maria, *Historia de la República O del Uruguay*, iv. 95-106.

<sup>4</sup> He crossed the frontier on 23 Sept. 1820 and died on that same day in 1850, still in exile.

<sup>5</sup> Convention for the incorporation of the Eastern Province of the River Plate with the United Kingdom of Portugal, Brazil, and Algarve, 31 July 1821. *B.F.S.P.*, viii. 1027. The congress met not in 1820 but in July 1821.

<sup>6</sup> Dom Pedro proclaimed the independence of Brazil on 7 Sept. 1822 and was crowned emperor on 1 Dec.

<sup>7</sup> Alvaro da Costa Souza de Macedo, Lecor's adjutant-general.



who had been influenced by the intrigues of the Buenos Ayrean faction, [who], under the pretext that it was a favourable opportunity to throw off their yoke and regain their independence, were only aiming to impose on them the trammels of Buenos Ayres instead of that of Brazil.

In March 1824,<sup>1</sup> Monte Video capitulated to the Brazilian forces, but previous to this circumstance the provincial towns and departments, by petition, requested to be annexed to Brazil as an independent empire<sup>2</sup>; and in the year 1823 [in] the constitution given by the Emperor Peter the 1st to the Brazils<sup>3</sup> the Cisplatino Estate was included as an integral part of that empire. On the entrance of General Le Cor to this place the constitution was promulgated and all the public and military took the oath of allegiance.<sup>4</sup>

*Nature and number of the population.*

The population may be arranged under the following classes:—

Old Spaniards	Creoles—natives born
Natives of the Canary Islands	Creoles—of other provinces
Foreigners—Europeans	Brazilians

Slaves.

Old Spaniards. Of these a few only were ever of respectable origin and these were limited to officials under the old Spanish Government. There were a few mechanics, but the greater part were poor labourers from Galicia and Biscay, who for years received an allowance for maintenance from the Government. By the revolution almost all the wealthy and respectable families were reduced to beggary; their estates were plundered of the cattle and destroyed; others were mortgaged for the sustenance of themselves and family; and many to this day exist upon the charity of their more wealthy countrymen. Those who in the present day possess wealth are almost without exception people of low origin, who

<sup>1</sup> Da Costa and Lecor came to an agreement in Nov. 1823, in consequence of which the former embarked with his troops for Lisbon. Lecor entered Montevideo on 9 March 1824. On the whole of this episode and the abortive movement for the independence of the Banda Oriental see Acevedo, *Artigas*, pp. 932–40, De-Maria, *op. cit.*, iv. 194–278.

<sup>2</sup> See De-Maria, *op. cit.*, iv. 202

<sup>3</sup> The constitution drawn up by the constituent congress of 1823 was rejected by Dom Pedro, who presented the nation with another 'twice as liberal' in 1824.

<sup>4</sup> De-Maria, *op. cit.*, v. 10–14; Olyntho Sanmartin, *Bento Manoel Ribeiro* (Porto Alegre, 1935), p. 64, n. 1.

[have] become rich since the occupation of the British in 1806.<sup>1</sup> The poorer class are generally mechanics, seafaring people, and labourers.

The emigrants from the Canary Isles are not numerous. They are principally agriculturists, who are said to be a very laborious but parsimonious people, and as they intermarry amongst themselves they now form a distinct race.

The foreigners, Europeans, consist chiefly of Italians and French who traffick in a small way. There [are] also a few English and North Americans, deserters from ships. But the principal body of this class are officers and soldiers of the late Portuguese army, together with a great number of Portuguese merchants, traders, and mechanics who possess the whole of the Brazilian and river trade, and are very wealthy. Of the other European mercantile establishments there are 1 Spanish, 1 French, 2 North American, 3 German, and 10 British.<sup>2</sup>

Creole natives-born are a brave but not a sanguinary people. From their earliest infancy they are taught fraud, deception, lying and flattery. Integrity, truth and a punctual fulfilment of engagement do not form any part of their education. They consider these things as European prejudices, the effects of a foolish weakness of disposition and superstitious education, and the man who makes a sacrifice of his interests to his character and sense of moral obligations, they consider a very good sort of man, but a very great fool. Those of the higher class are averse to commerce, fond of a military life and of intriguing in affairs of government, but they are very ignorant and presumptuous. The lower class abhor labour and subordination, and appear to prefer approximation to savage rather than civilized life.

<sup>1</sup> Montevideo was captured by Sir Samuel Auchmuty on 3 Feb. 1807, and was evacuated by General Whitelocke on 9 Sept. According to Robertson, on the capture of the town about six thousand British subjects entered 'of whom four thousand were military, two thousand merchants, traders, adventurers; and a dubious crew which could scarcely pass muster, even under the latter designation'. *Letters on Paraguay*, i. 102.

<sup>2</sup> At the close of the eighteenth century the population of Montevideo had exceeded 15,000. Azara, *Descripción é historia del Paraguay y del Río de la Plata*, i. 344. Brackenridge gives the population in 1818 as 7,000. *Voyage to South America*, ii. 47. This, however, is an under-estimate. See the census for 1813 and the incomplete figures for 1819 in De-Maria, *op. cit.*, ii. 174; iv. 179-81. The number can hardly have been much more than 10,000 in 1824. Cf. Alexander Caldcleugh, *Travels in South America, during the years 1819-20-21*, (2 vols., London, 1825), i. 124; Núñez, *Account of Río de la Plata*, p. 230.

Creoles, natives of other provinces, are chiefly from Paraguay whence formerly came down vast numbers of labourers and peones, who are remarkable for their taciturn and quiet habits and for their industry and steadiness, most of whom can read and write.

Brazilian, or Portuguese creoles. Amongst these are some of the oldest and most wealthy families in the province whose ancestors settled here before the Spaniards. It is well known that from the earliest times this province has been claimed by the Portuguese by right of discovery and [that the Portuguese] were the founders of Colonia,<sup>1</sup> from whence they were driven about 50 years ago. This class are, by emigration from the Rio Grande, encreasing in this province, and as they generally bring with them money to buy land, and cattle to stock it, [this] makes them very desirable settlers. Indeed this is the principle source from which wealth and population is likely to flow into the interior of this country.

Of slaves. They are said to have been very numerous before the revolutionary war, but the patria, finding it an easy and economical way of raising troops, offered manumission to such slaves as would take up arms. They conducted themselves well and were the only infantry of the patria. Their numbers being greatly decreased by these measures, proprietors were forced to relax in discipline, and now they have become so arrogant and idle that they cannot be impelled to work equal to a free person. There have been some small encrease by importation from Rio Janeiro and with Brazilian settlers, but of no importance.

The number of all of the classes abovementioned, not including troops, are calculated (for no census has yet been taken) at about thirty-five to forty thousand.<sup>2</sup>

<sup>1</sup> Colonia del Sacramento was founded by the governor of Rio de Janeiro in 1680, and at once destroyed by the governor of Buenos Aires. Temporarily transferred to Portugal by the treaty of 1681, it was again captured by the governor of Buenos Aires in 1705 and again restored to Portugal in 1713. By the treaty of 1750 Colonia was to be surrendered to Spain. This treaty was annulled in 1761, but in the following year Colonia once more fell into the hands of the Spaniards, to be once more restored to Portugal in 1763. It was finally captured by the Spaniards in 1777 and by the Treaty of San Ildefonso, 1 Oct. 1777, remained in Spanish hands. Under the Portuguese Colonia had been the centre of a far-flung contraband trade. Cf. R. Levene, ed., *Historia de la nación Argentina* (Buenos Aires, 1936-), iii. 541-55. For the Portuguese claims see Manchester, *op. cit.*, p. 110, notes 2, 3, and 4.

<sup>2</sup> Graham puts the figure for the Banda Oriental and Entre Ríos together as 50,000 in 1818. Manning, i. 494. Núñez estimates 40-50,000 in 1824. *Account of the Río de la Plata*, p. 229.

Having gone through a sketch of the population, I attempt an account of the *political parties* into which they are divided. They may be classed under four heads, viz. :—royalists ; patriots ; imperialists ; negatives—a large body indifferent as to who governs, provided the government be good and they possess security of person and property.

Royalists. This party consists almost exclusively of Old Spaniards who, getting advanced in years and having received no accession to their party from the mother country, diminish daily ; and as their children incline rather to the patriot cause, this class must in a few years be entirely extinct. They entertain strong national prejudices against the Brazilians, but still they admit [that] the mildness, moderation and security they enjoy under that Government inclines them decidedly to prefer them to any other of the parties.

Patriots comprise all the lower classes of creoles, who consider the Brazilian occupation a usurpation effected by intrigue more than force, and themselves as a subjugated people. They allege that the Brazilians had been invited both by the royalists and Buenos Ayreans at a period when they found the patriot influence beyond their control ; but still they dislike from effects of habit and force of education everything connected with Portuguese or Brazilian, and these feelings have been fomented by charges brought against the Brazil borderers for having, during the various sieges, passed the frontier and swept the cattle from the country, to the ruin of this class. Though united in opposition to Brazil, they disagree on all other points. The majority of these are partisans of Artigas and his officers, whose system is total independence of all other countries, a destruction or division of rank and property, and equality upon the basis of making all equally poor. Being of an idle, licentious, and roving disposition, they are attached to a military life and loud talkers of liberty and independence, but which they only understand as a liberty to commit all sorts of excesses with impunity, and independence of all authority but that which they voluntarily concede to military chiefs, these chiefs having been generally selected from the ranks on account of bravery or murder. He who murdered most royalists, burnt or destroyed most houses, robbed or violated most families, quarrelled with his commanding officer, fought with or assassinated most of his comrades, was in a fair road to promotion ; and would frequently put himself at the head of a few discontented, who in hopes

of plunder would put themselves under his command; thus it frequently happened that rival commanders would meet, fight, and carry on war against each other, whilst both plundered the peaceable inhabitants

The better class of patriots, inhabitants of towns, are convinced by experience how little property, rank, or education influence their countrymen, and how little they regard civil jurisprudence. They have now abandoned the idea of constituting a sovereign independent state in a country whose population are so thin and whose revenue so insignificant, and from local and family connections incline to join the federation of Buenos Ayres. Were it possible that these people assisted by neighbours should drive back the Brazilians, and a government of creoles be formed, it is well known that the country people would obey no farther than military force compelled them, and it is believed by the best informed that such things occurring would lead to another war of partizans, and depopulate and destroy the country. With this impression the great part of this class are passive, and in a short time by conciliatory and soothing government they will become assimilated with the Brazilians.

*Imperialists* are composed of old Portuguese settlers, new emigrants from Brazil, officers and soldiers of the late Portuguese division, Brazilian merchants, land and cattle proprietors. Among the latter are creoles and old Spaniards of the largest landed property and of riches in the country. These are attached to this party, and support it, not probably from any partiality, or of sense of their right to the province, but from a full and strong conviction of its graphical position, character, population, and circumstances under which it is placed, being likely to advance its resources only by preserving the Imperial Government, which alone promises the peace and tranquility of the province.

Negatives, who are indifferent as to whom governs provided the government be good, are of all classes; amongst which are many Spaniards who despair of seeing the royal authorities again established, and others who think that Spain has sunk too low to offer any particular advantages by renewed relationship. They therefore acquiesce for the sake of peace and protection.

There are, however, a few individuals of very considerable influence but not of property who have, during all the disturbances, been political adventurers, who have sold the influence they possess as frequently as they could make their importance of any value.

These men are through some strange policy of the emperor of Brazil filling most of the important offices of this government. They are now intriguing with the Buenos Ayreans and thwarting the measures of General Le Cor almost to the ruin of his measures. These men are therefore objects of execration with the peaceable and well disposed, because they know well that the effective measures of the one must produce certain ruin to the other and to the province in general.

There are also a few who had been admirers of British discipline whilst this place was in possession of General Sir Samuel Auchmuty,<sup>1</sup> who are now anxious for British occupation.

*Military Force*

	Infantry	Cavalry	Artillery
Legion of St Pauls, 1 and 2 Corps	450	200	50
Legion of Rio Grande		400	
Dragoons of Rio Pardo		500	
Regiment of Chimvangués	300		
— of Pernambucans	400		80
Royal Impl. Artillery			
Provincial Dragoons		200	
Regiment of the Union		400	
Indian Lancers		350	
— Infantry	150		
Two Battns. of Negros	660		
Three companies of Riflemen	120		
	2,080	2,050	130
			2,050
			2,080
Total			4,260 men,

the greater part of which are stationed in Monte Video and its neighbourhood. The remainder are in Maldonado, Colonia, and the banks of the Uruguay. Since the occupation of Monte Video, in March 1824, they have been regularly paid; but previous to that there are three to four years pay in arrears. They are very well disciplined, and independent of their arrears of pay, and other

<sup>1</sup> (1756-1822), *supra*, p. 76, n. 1; cf. Webster, no. 22.

inconveniences that arise out of existing circumstances, behave with the most praiseworthy and soldierlike conduct.

*Agriculture.*

During the revolutionary war from 1810 to 1819 the various chiefs, whether royalist or patriot, made it a part of their system to destroy as much of the country's resources as possible, with a view, it is said, of compelling the inhabitants to take up arms. Immense quantities of cattle were killed to raise a revenue upon the hides, and more were destroyed in the gratification of the appetites and private interests of officers and soldiers. The proprietors, oppressed on all sides and by all parties, took refuge in towns, and the cultivated ground thus became a desert. The country being deserted encouraged the inhabitants of the adjoining provinces in Brazil to carry off cattle, and consequently, Rio Grande, at the expence of this place, has become over stocked and is now returning under new masters to establish new farms. About 1820, landowners began slowly to return to their estates, which for their maintenance during the revolution had been mortgaged or greatly incumbered with debts, and as public affairs were then wavering, land did not rise beyond nominal value until March last, when in consequence of large emigrations from the Brazil frontiers, it suddenly rose to nearly three times its former worth; and as these people bring with them capital, stock, and slaves, who are good husbandmen, it may reasonably be expected from the numerous importations that they will possess the best part of the province, and ultimately be the means of introducing the cultivation and growth not only of grain but of all the Brazilian produces.

Owing to the present immense price of labour, arising from the system of slavery, farming is at the lowest ebb, and no immediate remedy is likely to be applied. Indeed the seasons for the last three years have been so bad that the harvest has been lost, and the Americans, availing themselves of this, have imported flour to the value of from 200,000 to 300,000 dollars, at a rate, after paying 12/6 per barrel protecting duty, for nearly two thirds of what it can be raised in the country.<sup>1</sup> This checks the growth of grain,

<sup>1</sup> Cf. *supra*, p. 36. Hood reported in August that the United States trade was greater than that of any other nation, owing to an extensive carrying trade and the demand for flour. In the first six months of 1824 American shipping entering the port was more than five times the amount of British. Hood to Planta, 20 Aug. 1824 (no. 7), F.O. 51/1. A year later, however, it

and nothing successful is likely to be done until slavery be abolished altogether and protecting duties revised, corresponding with the changed features of the province.

The commerce of Monte Video has been less during the last two years than in 1820, 1821, and 1822<sup>1</sup>; and the present has no appearance of being better [than] in the early years of the revolution and indeed up to 1819, when owing to the restoration of tranquillity things began to mend. In 1820 an interruption took place between Entre Rios, Santa Fe, and Buenos Ayres, which threw the trade of these provinces into the commerce of this place, which became the channel through which all British manufactured goods found their way into the interior. The year following the trade of Chili and Peru were opened and vast exports from deposit were made thence.<sup>2</sup> This forced trade for the time brought large imports into the market, which encreased the value of produce. This great encrease of value had the effect of producing a supply not beyond the wants of the market, but out of all proportion beyond the almost ruined resources of the province, and that led ultimately to nearly the destruction of all the cattle. As the forced trade with the Upper Provinces declined, in consequence of friendship having been restored between those nations, and goods found a direct import to their destination, this place felt a considerable diminution of trade, adding to which a blockade of the Portuguese by the Brazilians finally shut the port altogether.<sup>3</sup> In this emergency policy induced the opening of Maldonado and Colonia to free trade. This appears to have had indifferent effect. The revenue fell far short of former years. In 1824 when General Le Cor recovered possession of the city it was expected that trade would greatly revive, but as the country had been drained of its

had almost ceased altogether. Hood to Canning, 13 Aug. 1825 (no. 24), FO 51/1.

<sup>1</sup> Mario Falcao Espalter, *La Vigia Lecor* (Montevideo, 1919), p. 210, gives the number of ships clearing from Montevideo as follows.—1815, 73; 1816, 74; 1817, 203; 1818, 262, 1819, 270; 1820, 255; 1821, 412.

<sup>2</sup> *Supra*, pp. 33-4, 65. By reference to the table on p. 344 ff. it will be seen that British trade to Montevideo was negligible till 1820. It rose to over £90,000 in value in 1822 and then fell by more than two-thirds. These figures, however, are mainly useful for comparative purposes, and cannot be taken to represent actual imports. Thus while the real value of the goods exported in 1824 is put as £37,421, the 21 British ships that entered Montevideo in this year had a total cargo value of more than £75,000. Hood to Canning, 20 Aug. 1824, 28 Jan. 1825, F.O. 51/1.

<sup>3</sup> *Supra*, p. 74.



produce prematurely ; and as imports will always correspond with the value of exports, commerce was greatly disappointed. At the same time it happened, as has been already stated, that the harvests had generally failed, and that American flour to the amount of upwards of 200,000 dollars had been purchased with produce that otherwise circumstanced would have been spent in manufactures. Until the cattle of this province encrease, which can only be by tranquillity for a few years, so as to give a return to make for our imports, trade cannot possibly rise to any very considerable extent, nor indeed at any time is it likely to be great, unless it be for deposit, for which this port is peculiarly adapted by nature.<sup>1</sup>

*The Revenue* of this government is derived almost entirely from the Custom House which at the time that the Portuguese first took possession was under 200,000 dollars per annum. During the years, 1819, 20, 21, and 1822 it gradually encreased to nearly \$1,000,000, but with the change of trade in 1823 and part of 1822, when it entirely ceased owing to the blockade of the town, and external commercial connections having taken another channel, it has now decreased and may be quoted at a monthly average of 35,000 to 40,000 dollars. Independent of this the Government of Rio Janeiro remits for the assistance of the department 30,000 dollars per month, making in the whole about 70,000 dollars. This sum is, however, very inadequate to the maintenance of the military and civil establishments, so much so, that their exist great arrears with the military ; and perhaps this poverty, which so shackles the Government and which has reduced all its measures to exigency, is in fact the principal cause of its unpopularity.

The preceding revenues which I have stated are those that accrue to the Provincial Government but there are, besides, a revenue of  $\frac{1}{2}$  per cent. levied by the Court of Consulado upon all imports and exports for the purpose of raising a fund to erect a Light House on the Island of Flores. This duty has been collected for years past but [the Light House] has not yet been built.

The Cabildo, or Corporation, also enjoy some trifling rent on land within a league of the town, and [a] tax upon cattle, coffee houses, shops, etc. ; but it is not equal to their demand.

There are no taxes of any kind levied here by the State, and the

<sup>1</sup> ' British commerce during the whole of this year has been exceedingly tardy . . . this has arisen principally from the market having been forced far beyond its capacity . . . ' Hood to Canning, 13 April 1825 (no. 12), F.O. 51/1.

only private one is about ninepence per house a month for lighting the streets.

*State of the Church.*

Monte Video constitutes one parish of which the cathedral is the parish church. There are also a chapel attached to the Hospital and to the Convent of St Francis, and in the suburbs there are two public, and three private ones. The clergy are maintained by the fees for the sacrament, etc., which are very high, and by offerings. They possess no land, and tithes have not been collected since the revolution. The clergy are said not to enter much into political affairs, principally because the contest has been amongst Catholic parties and therefore their principles or faith remain unmolested, but they are very intolerant on all points connected with protestantism; they will not perform the marriage ceremony between a Catholic and a Protestant, and if a Catholic marry a Protestant according to our rites they are excommunicated. This has induced several English subjects to embrace the Catholic faith, if not permanently, at least long enough to attain their object.

There is also some difficulties arise in permitting our dead to be buried, at least in a respectful manner. General Le Cor has lately given a piece of ground for burial, but it is unclosed and the prejudices of the lower class have led them to violate the graves. It would be highly desirable to have it fenced in, if a small fund could be raised for that purpose.

The *Administration of justice and police* cannot possibly be in a more inefficient or degraded condition. The old Spanish colonial law is that which they profess to act upon, although a constitution and code of laws has been given by the Brazilian government, but the trouble is [that] the people are stronger than the law, and therefore it has become a matter of expediency and conciliation. The administrator or judge has not power to carry justice and law into effect; the government appear disinclined to draw upon themselves, by their assistance and support, any observations connected with criminal justice; and thus the matter between the two has become passive, so that the greatest criminals escape with impunity; and men who have committed five or six murders are daily seen in the streets. All these things are said to arise out of a want of protection and security of the person of the judge.

In civil cases a man is without any other process than a verbal charge before a magistrate, thrown into prison, without being con-

fronted either with his accuser or even with the magistrate. All pleadings and questions are carried on in writing, and the judge's decree is arbitrary, without reference to much law or equity, leaving redress to be sought by appeal ; but in this, and in those to the very highest, they [the judges] are, I regret to say, too subject to influence ; and therefore rarely indeed does a case become decided by its own merits.

I have omitted to observe that in criminal justice the state does not prosecute, nor oblige the accuser to pursue the delinquent, and it does not infrequently happen that the family of a murdered man will be maintaining the murderer's family and himself, and after a short confinement, suspend proceedings, give him money, and let him at liberty. This is represented to be politic, because they know he will not be executed, and this mildness secures their personal safety afterwards.

The Courts of Justice are, first  
The *Haciendados*, for the deciding matters connected [with] land, property, and cattle.

The Supreme Court of *Camara*, the high court of appeal.<sup>1</sup>

The *Cabildo*, who take cognizance of criminal and civil cases.

The Civil Governor, who decides upon petty debts, etc.

The *Consulado*, a commercial court elected annually from amongst merchants to settle mercantile disputes.

The *policy of General Le Cor* appears to be to secure the Brazilian domination in this province, as a matter of vital importance to that empire, by obtaining a highly desirable boundary to the south and south west ; and to conciliate and govern with the least expense possible.

To attempt the reformation of the country, to amend the administration of justice, strengthen the police, or reduce or equalize the duties upon imports and exports, are things attended with very considerable expense, and also liable to render his authority, or that of his nation, more unpopular by bringing it into contact with the prejudices and habits of the people. These things are therefore not suited to his present policy, which is entirely one of exigency, and are permitted to go on in the old way as one more likely to sooth and win the people, than by too hasty an innovation of new laws.

In all appeals to him for redress of injury or injustice, his principle is that both may make concessions, and only in extreme cases does he exert his authority. These conciliatory measures, supported by

<sup>1</sup> Cf. De-Maria, *op. cit.*, iv. 167.

a most pleasing and gentlemanly manner and address, have great weight with the people, and has secured their confidence and esteem.

The frauds committed upon the public revenues are so great and notorious than not only every merchant but, it is said, General Le Cor himself, is perfectly apprised of it, and this his necessities oblige him to permit, for the present, as a way of binding to his interest avaricious men of considerable country influence who will support him only as long as it is their interest to do so.

By these frauds the revenue is so reduced as to retard all improvements, and shackles the arm of government. They cannot do with less revenues than is now received, yet to lessen the revenue, first by restrictive duties on flour to protect agriculture, and by lowering duties upon manufactures to what is paid at Buenos Ayres are the only possible ways by which the country can ever redeem itself.

Some are of opinion that it is not politic to give acceleration to agriculture at the present moment, because if personal security was certain, the old Spanish and creole proprietors, who are now disposed to sell, would return to their estates, and in a short time, from their wealth and influence, would constitute a large body inimical to Brazilian power. Therefore so long as things remain as they are in the interior, the price of land will be kept down and thus induce Brazilian and Portuguese adventurers from the adjoining provinces to purchase lands. From this system, instead of the country's being inhabited by those who might on all occasions become troublesome, [it] will in a very short time be filled by a people who have placed their whole stake upon the maintenance of the Brazilian government and thus strengthen and support them.

From being at the head of all civil and military authorities, surrounded by different factions and their claims, and embarrassed in all his actions for want of money, it will not be surprising to find him to have adopted a system of procrastination. To gain time may be good policy in politics, but in commercial affairs where time is but another name for money, this dilatoriness has proved of great inconvenience and in more than one case has been the subject of remonstrance. He is, however, always accessible and open to reason, but not very prompt in executing his promise. Upon the whole British interests are always attended to, and I know of no grievance they can complain of, except the inequality of duties between this place and Buenos Ayres.<sup>1</sup>

From all of the forgoing observations it may be deduced that

<sup>1</sup> *Supra*, pp. 61, 65-6.

the present existing state of affairs in this province taken altogether are infinitely better than they have ever been at any former period. The state constituting now an integral part of a very powerful nation that can both support and protect the people binds all the wealthy and intelligent to the interests of Brazil, and when the agitated feelings that may be supposed to exist in so many recent political changes shall have so far subsided as to render prudent the suspension of military, and the revision of civil and commercial laws, it will be seen how rapidly the internal resources of this country will raise it to national and commercial importance.

*Of the nature and stability of the government.*

The administration of Government at present is a military despotism, but of a very moderate kind. All ordinary cases are settled by the cabildos of towns assisted by the alcaldes of the department within their jurisdiction, and from them appeal is had to the Camara of which General Le Cor is president, and from thence to the Emperor of Brazil. With regard to the *stability* of the Government I fear that I am scarcely sufficiently informed to speak with decision farther than to observe that there are nothing to be apprehended inimical to the Government from the people, or from Entre Rios; but the Buenos Ayrean Government have advanced some claims which they allege upon the Banda Oriental, and as this matter is, I believe, pending between the court of Rio Janeiro and Buenos Ayres it would be improper in me to hazard an opinion upon a result that I am ignorant of.<sup>1</sup>

*Connection, political and commercial.*

With the Entre Rios there exists no connection either politically or commercially. Between Buenos Ayres and the Brazils generally, which includes the trade of this place, commercial connection is next in importance to that of Great Britain. There is a Brazil consul resident there and with the exception of the claim upon the province, there appears to exist a good understanding, at least in a commercial way. Goods shipped from the one port to the other

<sup>1</sup> *Supra*, pp. 19-20. Insurrection began once more in the Banda Oriental in April 1825 when Lavalleja led the famous expedition of the 'Treinta y Tres' for the liberation of his country. In October the congress of the United Provinces declared the Banda to be incorporated with themselves. War followed with Brazil till 1828, and resulted in the erection of the Banda Oriental into the independent state of Uruguay.

pay only a transit duty, which is an advantage not conceded on goods shipped at either of the ports for places farther up the river, all other places paying full duty.

A trade has lately been opened with Paraguay, as also between Paraguay and Matta Grossa through the Fort Coimbra on the Parana, and thus the produce of Paraguay now finds its way to Monte Video and Buenos Ayres. The late Brazil consul at Buenos Ayres <sup>1</sup> is now on a mission to Francia, Governor of Paraguay, with a view of extending commercial relations between that province and the Banda Oriental and Mata Grossa. He will afterwards reside at Coimbra. There appears also to exist some political understanding between General Le Cor and Francia, who are in constant correspondence.<sup>2</sup>

*Of its views with regard to Old Spain.*

The local authorities appear to have a very imperfect idea of this point. They are perfectly friendly, and receive Spanish vessels and Spanish commerce upon the same footing as other nations, but respecting political views they look upon that to belong to the court of Rio Janeiro, and that their duty is simply to resist Spanish or any other power who might attempt to disturb the present order of things.

From conversations I have at different times had with the Baron Laguna I have no doubt but that he has viewed the restoration of this province to Spain as a contingency that *might* happen, in which case indemnification for expences incurred since the year 1816 would be demanded; but this contingency could only arise from Spain being enabled to send out a force for its reconquest larger than could be resisted by the Brazil Government.

The allowance that has been remitted annually from Rio Janeiro for the assistance of this province, between the years 1817 and 1824 inclusive, is stated to be upwards of five millions of dollars, independent of the expences and wear and tear of a naval force that has been kept up in the river. This, and all other expences, from

<sup>1</sup> Antonio Manuel Corrêa da Camara, Brazilian consul at Buenos Aires, was appointed consul at Asunción on 31 May 1824 and was so recognised on 27 Aug. 1825. *Arquivo diplomático da independência* (6 vols., Rio de Janeiro, 1922-5), v. 245, 323. But see Báez, *Historia diplomática*, i. 240.

<sup>2</sup> By an arrangement between Lecor and Francia in April 1823, the port of Itapúa on the Paraguayan Paraná was opened to trade. Báez, *Ensayo sobre el Doctor Francia*, p. 92.

the best information I can obtain, might be from 9 to 10 million of dollars to the end of last year.

As the recent events in Peru have effected very considerably the policy of this provincial government in reference to neighbouring states, which may more or less affect points advanced in this paper, I shall inform myself as early as possible and communicate the results that may, or are likely to take place in consequence of that event.

## V. CHILE

[F.O. 16/2.]

Christopher Richard Nugent to George Canning.<sup>1</sup>

No. 20.

British Consulate, Valparaíso.

17 March 1825.

The various difficulties under which I have laboured must plead in excuse for the non-fulfilment of the instructions received from you, in respect to the report of trade in the state of Chile.<sup>2</sup> The total want of regularity in the public offices, the suspicions of the

<sup>1</sup> There is a duplicate of this report in B.T. 6/61. Nugent was appointed consul-general for Chile on 10 Oct. 1823. He returned to England in June 1828, and though he did not again exercise the functions, he retained the office of consul-general till Oct. [?] 1832.

<sup>2</sup> On 16 July 1810 the captain-general of Chile was forced to resign. Two months later, on 18 Sept., a *cabildo abierto* at Santiago elected a provisional junta to rule the country during the captivity and in the name of Ferdinand VII. A national congress met on 4 July 1811. But the first attempts at independence were ruined by internecine strife, and the country was reconquered from Peru in 1815. Final liberation came by the heroic march of San Martín across the Andes and the victories of Chacabuco (12 Feb. 1817) and Maipú (5 April 1818). On 15 Feb. 1817 a *cabildo abierto* at Santiago offered the government to San Martín. On San Martín's refusal of this honour, Bernardo O'Higgins, hero of the independence movement, was appointed supreme director; and on the first anniversary of Chacabuco Chile's declaration of independence was solemnly read. A constitution was framed in this same year, to be replaced by another in 1822, and by yet a third (also short lived) in 1823. In Jan. 1823 O'Higgins was forced to resign and in July he retired to Peru. He was succeeded on 4 April by Ramón Freire, who ruled till July 1826. Great constitutional and political disorder prevailed till 1831. According to a report made by the Syndic of the Consulado in 1796 the population of the country was then about 400,000 souls. The census of 1831-5 and that of 1843 give 1,010,332 and 1,083,801 respectively, but these figures are not above reproach. See Miguel Cruchaga, *Estudio sobre la organización económica*, i. 147, 274. Cruchaga's estimate for the beginning of the nineteenth century is half a million. *Ibid.*, i. 151.



British merchants<sup>1</sup> apprehensive of the imposition of new charges upon trade, the regular system of smuggling carried on throughout the country, are, amongst a variety of lesser ones, the obstacles that I have had to contend with.

Under such a complication of opposing circumstances, all I can hope is that I have been enabled to reach so near the truth, as to furnish information tolerably correct upon the subject.

The trade between Chile and all friendly and neutral nations was first permitted by the then prevailing party in the country, on the 21st February 1811<sup>2</sup>; and in the year 1813 was invited under certain conditions,<sup>3</sup> which at different periods since have been modified, particularly in 1823.<sup>4</sup> It has, however, seldom been

<sup>1</sup> Consul Rowcroft, who passed through Santiago in 1824 on his way to Peru, found the English merchants there 'very few and inconsiderable'. (F.O. 61/2). But they were to be found at Coquimbo, Copiapó, Huasco, and above all at Valparaíso. It was not till after 1817 that Englishmen arrived in any numbers, but by 1824 they have been estimated at from 1,000 to 3,000 at Valparaíso alone. *Journal written on board H.M.S. 'Cambridge'*, p. 22; Barros Arana, *Historia general*, xiii. 586-8; Vicuña Mackenna, *The First Britons in Valparaíso*, pp. 27, 36. Miers, however, in his *Travels in Chile and La Plata*, i. 446, considered these estimates much exaggerated and put the number of English at 400. Besides the large commission agents, the English in Valparaíso seem to have been a motley crew of traders, sailors and adventurers. 'English tailors, shoemakers, saddlers, and inn-keepers', wrote Maria Graham, 'hang out their signs in every street; and the preponderance of the English language over every other spoken in the chief streets, would make one fancy Valparaíso a coast town in Britain'. *Journal of a residence in Chile, during the year 1822* . . . (London, 1824), p. 131. According to Miers (*op. cit.*, i. 446-7), many were 'sailors, or persons in the lowest sphere of life'; and Robert Proctor, who, like Miers, was somewhat embittered by his experiences, described the town as 'full of English, many of them of the lowest description and of the worst characters', who acted as brokers and smugglers. *Narrative of a journey across the Cordillera of the Andes*, p. 109.

<sup>2</sup> Anguita, *Leyes promulgadas en Chile*, i. 3-26. This decree opened the ports of Valdivia, Talcahuano, Valparaíso and Coquimbo, and established an import tariff of 30 p.c. Despite the prevalence of old habits of contraband, its effect was to double the customs revenue at Valparaíso between January and August 1811. Barros Arana, *op. cit.*, viii. 274. For English attempts to force a trade before 1811 see *infra*, p. 127, n. 2.

<sup>3</sup> I have been unable to see a copy of the *Apertura y fomento del comercio y navegación* (Santiago, 1813).

<sup>4</sup> During the re-conquest of Chile the ports were again closed, and again opened in Feb. 1817. Manning, ii. 984. In Oct. 1822 the Minister of *Hacienda* presented a *Reglamento de Comercio* of 289 articles to the convention then sitting. This was sanctioned on 18 Oct with the omission of 23 articles which constituted a highly protective tariff. Anguita, *Leyes promulgadas en Chile*, i. 84-102; Barros Arana, *op. cit.*, xiii. 730-1. In the following year this

conducted for any length of time upon any fixed principle ; and this is still so much the case, that even the most elaborate researches into documents, tending to shew the sources of the revenue arising from duties levied upon foreign importation, will be very imperfect and liable to error, as well from the different per centage rates exacted at different periods, but differing in others, as from the extraordinary deviation from the actual value of the property on which the said per centage rates are levied.

The duties on all importations for the three years

1821 were	\$1,460,000
1822 were	\$1,500,000
1823 were	\$1,000,000

\$3,960,000, averaging for one year

\$1,320,000, of which it may be calculated that

Great Britain paid	\$950,000
British India (white cotton goods, chintz, rice, sugar, wax, silk } handkerchiefs, furniture and spirits)	80,000
China (silks, nankeens, sugar, tea and furniture)	30,000
United States of America (tobacco, cordage, furniture, rice, rum } and spars)	50,000
France and Spain (woollen cloths, silks, linens, furniture, paper, } wines and spirituous liquors)	75,000
Germany and Holland (linens, spirits, cordage, woollen cloths, } glassware, iron and hardware)	65,000
Peru and Brazil (yerba maté, sugar, rum, tobacco and rice) }	70,000
Mexico (sugar, indigo, cotton and rice)	

The duties of import in the years 1821, 1822, and until June 30 1823, were 36½ per cent. 'ad valorem' including two per cent. for export duty on specie, recovered at the time of importation. Subsequently, that is, from June 30 1823, to the present date, the import duty has been diminished to 27 per cent. (furniture and ready made clothes excepted, paying 40 per cent.) as may be seen by the accompanying statement of duties levied on imports and exports throughout Chile.<sup>1</sup>

The importation duties of the years 1821, 1822, and 1823, cannot be said to have been levied on the actual market value of the articles, but upon the judgment of the Surveyors for the Custom House, who generally have no reason to regret any favor granted to the importer. Upon a particular calculation made on the importation of different individuals (comprising most classes of manu-

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law was abrogated and the *Reglamento* of 1813 re-established, but with certain modifications designed to prevent smuggling, and a new tariff. Barros Arana, *op. cit.*, xiv. 78 ; *Ampliación al reglamento del libre comercio de 1813 i demás disposiciones consiguientes*, 25 May 1823, Letelier, *Sesiones de los cuerpos legislativos*, vii. 166-70. This measure was approved on 27 June. The tariff attached to the *Ampliación* is printed *infra*, p. 103 ff.

<sup>1</sup> Letelier, *op. cit.*, vii. 168-70 ; *infra*, p. 103 ff. Cf. Miers, *op. cit.*, ii. 200-1.

factures during the term of one year) it has been ascertained that the amount of import duties paid is really not more than twenty per cent. on the actual invoice value.<sup>1</sup> According to this rate, therefore, the amount of capital imported in each year did average about \$6,670,000, say

British	\$4,750,000
East India	400,000
China (from their nature easily passing at a lower valuation)	180,000
United States of America (the articles of furniture, tobacco and spirits generally, being under prohibitory duties)	220,000
French and Spanish	400,000
German and Dutch	320,000
Peruvian, Mexican and Brazilian	400,000
	<hr/>
	\$6,670,000

From the decline in the revenue, it would appear as if importation were less, and undoubtedly this is the case, but not to the extent that a mere calculation on the diminished customs would produce; for though the per centage rates of duty were very materially reduced, it was at a period when the markets were so overstocked,<sup>2</sup> and demands so scarce, that holders were eager to sell at very ruinous prices, and could not, even under the temptation of lower duties, be induced to make fresh importations. It must here be remarked that for the last three years the produce of the soil of Chile has failed to such a degree as to be unequal to the home consumption, and that consequently fewer equivalents could be offered for articles of import, and that the necessarily high rate of provisions tended to increase the wages of labourers, and to diminish the then increasing importance of the mining establishments. The operation of these last two causes has occasioned a deficit in the value of returns equal to \$1,200,000 annually, which would otherwise have been exported to Peru, Guayaquil, Mexico, Buenos Ayres and Brazil. These occurrences are, however, without precedent, and will not, it is to be hoped, recur.

The trade of Chile has, upon the whole, been steady and profitable, and in proportion as the country becomes organized, and the form of government more precisely defined and settled, will indisputably increase. At present it is but too frequently the case to see laws

<sup>1</sup> Cf. the complaint of the Minister of *Hacienda* on 26 April 1823 that half the importations into Chile were made clandestinely. Letelier, *op. cit.*, vii. 78.

<sup>2</sup> Consul Rowcroft complained that in 1824 Manchester white cotton goods, 'good shirtings', fetched less than 6d. a yard at Valparaíso (Memo. of 1 Nov. 1824, B.T. 6/60); and he estimated that from Valdivia to San Blas more than a year's consumption of cotton and other piece goods was on hand. Memo. of 8 Oct. 1824, F.O. 61/3.

and regulations published, which are never put in force, but to gratify the interested views of powerful individuals.

The ports of Chile privileged for foreign commerce are Valparayso, Talcahuano, and Coquimbo. The rest are reserved for vessels in the coasting trade, although not very strictly.

The principal trade is through the port of Valparayso.<sup>1</sup> During the six months ending the 31st December 1824, the following number of vessels have entered and cleared from this port,<sup>2</sup> viz. :—

British	64	
United States	37	
Chileno	30	Coasters and small
Peruvian	5	Small
Buenos Ayrian	2	Do.
French	2	
Dutch	2	
Genoese	2	
Portuguese	1	

Since the emancipation of Chile from the Spanish yoke, the province of Concepcion (of which Talcahuano is the port) from its proximity to the Island of Chiloe (still in the possession of the Royalists<sup>3</sup>) and continual exposure to the attacks of formidable tribes of Indians,<sup>4</sup> who lend themselves to any party, has contributed little to the welfare or revenue of Chile, although its local situation, the soil it is blessed with (susceptible of producing every kind of grain and provisions to an extent almost incredible) and its forests, presenting timber of all dimensions suitable for domestic and naval purposes, to say nothing of its but lately appreciated stores of pit coal, so useful for the mining districts, encourage the hope that this

<sup>1</sup> In 1826 10 British houses at Valparaiso urged the necessity of the protection of their trade by a British man-of-war on the ground that Valparaiso 'very much exceeds all other ports on this side of the American continent in the magnitude and importance of its foreign trade. Scarcely a vessel doubles the Horn, without touching here for refreshments, or for orders: and according to the information of the agent on shore, the cargo is either sold, deposited, or it proceeds forward.' Winter, Brittain, Waddington, *et al.* to Nugent, 28 May 1826, F.O. 16/5. Buyers were accustomed to come down from as far north as Acapulco. See the Commercial Circular of Lezica Hnos. in 1829, in F.O. 354/8.

<sup>2</sup> It is interesting to notice that in 1824 and 1825 American tonnage exceeded British. In 1825, 90 British vessels touched at Valparaiso and 70 American; in 1826, 79 British and 65 American. British tonnage in these years was 15,930 and 14,965, American was 17,695 and 15,406. Trade Returns in F.O. 16/3 and 16/5.

<sup>3</sup> The royalists in Chiloe capitulated on 18 Jan 1826.

<sup>4</sup> The Araucanians. See *infra*, p 168.

province will, at no distant period, be the seat of wealth in Chile. Its present condition is anything but consoling, its commerce next to nothing.

By far the greater part of the trade of the three northern districts of Chile, namely Coquimbo, Huasco, and Copiapo, is carried on through the port of Coquimbo, which is said to be easy of access, and to afford a safe anchorage in all seasons for vessels of any burthen.<sup>1</sup> During the three or four winter months, when gales from the north are prevalent, this port is much frequented as a place of refuge by whalers belonging to the United States. Its watering place is inconvenient, being distant one mile and a half from the port.

The exports from Coquimbo are chiefly gold, silver and copper.<sup>2</sup> The two first, when uncoined, are prohibited from exportation, although they are exported to a considerable extent. To what extent it is not easy to ascertain, neither what amount is actually produced from the mines. The high duties levied, both for coining (about 18 per cent.) and for exportation (2 per cent. for silver, and  $\frac{1}{2}$  per cent. for gold) hold out a temptation for smuggling too great to be often resisted.<sup>3</sup> About 80,000 marks of pure silver have, it is supposed, been obtained during the year 1824 from the mines near Guasco and Coquimbo, of which not one single mark will find its way to the mint. Such is the poverty of the treasury that this establishment is unable to make advances upon the metals left with it for coinage; and as this operation, as matters are now conducted, consumes six months, miners and others are naturally deterred from coming forward. According to a government publication the coinage at the mint during the years 1817 and 1823, and the nine months ending September 1824 was as follows, viz. :—

<sup>1</sup> In May 1824 Nugent sent his vice-consul, Matthew Carter, to reside as acting consul at Coquimbo. Carter was appointed consul there on 15 Feb. 1825, and, having returned to England in Feb. 1831, he was transferred to Cartagena (Spain) in June 1833. F.O. 16/1, 16/4, 16/16, and 16/22. Further information on the trade of Coquimbo will be found in Carter to Canning, 30 June 1825 (no. 6), F.O. 16/4, but this adds little to what is here printed.

<sup>2</sup> By Dec. 1825 the agents of three English mining companies, the Anglo-Chilian, the Chilian, and the Chilian-Peruvian Mining Associations, were resident at Coquimbo, and the numerous British residents there were anxiously seeking to establish a church. Carter to Canning, 31 Dec 1825, F.O. 16/4.

<sup>3</sup> By decree of 18 Jan. 1826, coined gold and silver were allowed to be exported free; uncoined gold was to pay 4 p.c. per mark and uncoined silver 4 reals per mark. This decree is printed in Cruchaga, *Estudio sobre la organización económica*, i. 40.

## BRITISH CONSULAR REPORTS

	Gold			Silver		
	marks	coined		marks	coined	
1817	4,509	613,240	dollars	64,475	548,042	dollars
1823	2,336	317,757	do	5,870	49,901	do
$\frac{3}{4}$ ths of 1824	868	118,088	do.	1,874	15,006	do. <sup>1</sup>

A respectable mercantile authority thus quotes the coinage of silver at the mint.

Viz:—	1818	54,000	marks	1821	24,000	
	1819	47,000		1822	14,500	
	1820	48,000		1823	2,400	
				1824	1,600	not known, but supposed.

The average annual export of copper since the year 1817 may be estimated thus, from:—

Coquimbo	30,000	quintals
Huasco	20,000	do
Copiapo	7,000	do.
Valparaíso	4,000	do.
	<u>61,000</u>	

of which about  $\frac{3}{4}$ ths are annually exported in British or India ships to Calcutta in payment for India goods, and of the remainder a great proportion goes to the United States, to Gibraltar, and England.<sup>2</sup>

In the course of the six months ending 31st December last eight British vessels, the tonnage of which amounts to 1,700 tons, have entered and cleared out from Coquimbo. Of these

<sup>1</sup> Cf. Miers, *op. cit.*, ii. 447-8. In 1790 the quantity of gold and silver brought to the mint had been \$721,754 gold and \$146,132 silver. *Ibid.*, ii. 423. For Humboldt's estimate of the produce of the mines of Chile at the end of the eighteenth century see *infra*, p. 170, n. 3. Both Nugent and Carter wrote reports on the mines of Chile. See Carter to Canning, 3 Oct. 1826 (no. 13), and Nugent to Canning, 22 Dec. 1826 (no. 36), F.O. 16/5. According to Carter the annual average produce of the mines of Coquimbo from 1795 to 1810 had been \$150,000 gold; \$200,000 silver; and \$200,000 copper. Production had been suspended between 1814 and 1817, but by 1825 it had increased to \$200,000 gold; \$600,000 silver; and \$1,100,000 copper. Nugent reported an advance in the production of copper in Chile from an annual average of 16-17,000 quintals between 1803 and 1811 to 60,000 quintals between 1818 and 1825, and of silver from 25,000 marks between 1804 and 1812 to 40,000 marks between 1815 and 1825. The production of gold, however, he considered to have greatly diminished.

<sup>2</sup> Carter calculated that in the nine years from 1817 20 p.c. of the produce of the mines of Coquimbo was exported directly to Europe, and that indirectly England and British India took 50 p.c. in payment for British and British Indian goods, the latter coming directly from India and the former in large part through the United States. Carter to Canning, 3 Oct. 1826, F.O. 16/5. Nugent states that in 1816 'the Calcutta Country ships

- 3 entered from Valparaíso in ballast and cleared with copper for Calcutta ;  
 3 entered from do. with India goods, tobacco and provisions, and  
 cleared, 1 with copper for Calcutta, 2 in ballast  
 for Valparaíso ;  
 1 entered from Valdivia with timber and cleared with copper for Calcutta ;  
 1 entered from Callao in ballast and cleared with copper for Calcutta.<sup>1</sup>

The total amount of copper exported to Calcutta in the above five vessels is about 17,000 quintals.

The future exportation of copper from Chile to British India is likely to be affected, both because British manufactures and imitations undersell India goods in the Chile market, and because spelter, which formerly was only imported in very small quantities from China (about 2,000 quintals annually) and is preferred to copper in the manufacture of articles of domestic oeconomy, has within the last two years been advantageously exported from the Baltic and Archangel through the port of London to a very great amount.

With the exception of flour, tobacco, and a few articles of furniture from the United States, and a very inconsiderable proportion of French goods, Great Britain and British India supply all the wants of the province of Coquimbo in manufactured goods.<sup>2</sup>

The commodities of import to Chile may be taken generally as follows, viz :—

Woollen manufactures, comprising cloths, kerseymeres, baizes, flannels, carpeting, coating and serges.

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first made their appearance', and that from then till 1824 they took two thirds of the copper produced, and England and the United States the remainder. The direct trade between Chile and Calcutta almost ceased in 1825-6, and the exports to the United States increased, a large part going indirectly to Calcutta. Nugent to Canning, 22 Dec. 1826, F.O. 16/5. The non-arrival of British ships from India in 1825 was attributed to the Burmese war. Carter to Canning, 30 June 1825, F.O. 16/4.

<sup>1</sup> In 1825 13 British vessels touched at Coquimbo with a tonnage of 2,340 and a cargo value of \$90,927. In the same year 24 American vessels arrived, tonnage 6,951, invoice value of cargo \$130,000. Trade Returns in B.T. 6/61 and F.O. 16/4. In 1826 the figures were :—British, 17 ships, tonnage 3,520, cargo value \$134,065, American, 29 ships, tonnage 8,057, cargo value \$110,823. Trade Returns, F.O. 16/5. The American lead in 1827 was yet more extensive, 6,754 tons to 2,740. F.O. 16/6.

<sup>2</sup> A large part of these supplies still came overland from Santiago 'in adhesion to an old and disadvantageous system of purchase, introduced by Spain, at a time when the port of Coquimbo was excluded from those ports in Chili to which vessels direct from Spain could discharge their cargoes'. The additional charges such a system entailed amounted to 50 p.c. Carter to Canning, 30 June 1825, F.O. 16/4. The system still continued in 1827. Carter to Bidwell, 31 Dec. 1827, F.O. 16/6. According to Carter the city and province of Coquimbo took more than \$1,000,000 of English manufactures annually.

Linens, comprising platillas, bramantes, creas, shirtings, britannias, rouens, estopillas, dowlas, duck, osnaburgs, canvas, diapers, bocadillas, cambrics, sheetings, drills, lace, etc. etc.

Cottons, comprising almost every description, both printed and plain.

Hosiery, of silk, cotton and worsted.

Silk manufactures, of almost every description.

Paper, books, printed and plain for accounts, stationery, etc. etc.

Pianos and other musical instruments.

Quicksilver for the mines.

Wines, spirits, porter, ale and cider, ready made clothing, shoes, etc., tin plates, tobacco, segars and snuff, tea, rice, spices, sugar, coffee, cocoa, chocolate, pepper, molasses, yerba maté, furniture, carriages, harness, perfumery, hardware, cutlery, a little machinery, hats, earthenware, glass, plain and blown, china, indigo, logwood, wax candles and tapers, bar-iron, steel, paints dry and mixed, naval stores such as spars (frequently from New Zealand), blocks, sheet copper, oars, handspikes, tar, pitch and turpentine, anchors, cordage and chains, arms and ammunition.

The countries supplying the imports are Great Britain, British India, the United States of America, France, Spain (indirectly), Germany, Holland, Italy, China, Brazil, Guayaquil and Peru.

The commodities of export are :—

Gold and silver bullion and specie to the value of about	\$500,000
Copper in bars, 70,000 quintals at \$13	\$900,000
Copper manufactured into pots, kettles, bells, spurs and stirrups	\$10,000
Wheat, at 8 rials the fanega of 150 lbs.—considerable.	
Beans and pease, at 20 rials the fanega	
Hemp, at 4 dollars per quintal.	
Twine and cordage, at 7 to 8 dollars per quintal.	
These three last are exported in a small quantity, but if encouraged by capital and moderate protection could be cultivated and manufactured to almost any extent.	
Jerked beef, at 5 to 6 dollars per quintal—considerable.	
Tallow, at 9 to 10 dollars per quintal—inconsiderable.	
Fat or lard, at 12 dollars per quintal—considerable.	
Seal skins and oil—trifling	
Almonds, 1 rial per lb. } considerable.	
Walnuts, 2 rials per 1,000 }	
Hides (ox and cow), about 1 rial per lb.—inconsiderable, averaging for the last four years about 25,000 hides annually.	
Horns (ox and cow). about 15 dollars per thousand—inconsiderable.	
Salted provisions—considerable.	
A coarse kind of saffron, about 8 to 10 dollars per 200 lbs.—inconsiderable.	
Ponchos (a coarse kind of cloak made of cotton or silk and worn in Chile as smock frocks are in England) from 2 to 20 dollars and upwards each.	
Iron wrought into bits, spurs, and stirrup irons—trifling.	
Guano, vicuña and chinchilla skins—trifling	
Together value about	<u>\$1,000,000</u>



Respecting the prices of export, they are so fluctuating, and so governed by the demand or scarcity that any attempt to give an average price might tend to mislead ; yet some idea may be formed of their value in abundant seasons from the prices affixed to the various articles as above.

The privileges of importation (as may be seen by the above mentioned statement of duties levied in Chile) in favour of Chileno vessels are an abatement of one fifth of the duties on the cargo ; and on goods imported in any vessel to the consignment of a Chileno merchant (with certain qualifications) a reduction of one tenth of the import duties. But in no case are the two abatements allowed upon the same goods. These appear to be the chief distinctions drawn. No particular favour is granted to any foreign nation except to natives and vessels of Buenos Ayres, Peru and Colombia. These, by treaty, are considered as Chilenos, and as such are entitled to similar privileges and indulgencies.<sup>1</sup>

It is, however, necessary to remark that the government of Chile, pleading the heavy burthen which the payment of interest for 28 years would entail upon the country, its inability to meet the most urgent and ordinary demands upon the treasury, the impossibility of raising fresh taxes sufficient for the necessities of the State, the respect due to the national honor, credit, and character, and, above all, their ignorance how beneficially to appropriate a new loan, and the misapplication of the funds arising from the present one,<sup>2</sup> have, for the purpose of paying off the principal and interest of the said existing loan (amounting to five millions of dollars made to them by merchants in London) granted to certain individuals of Chile an exclusive privilege, from the 7th September 1824, until the expiration of ten years commencing from the 1st April 1825, of importing and selling tobacco, snuff, playing cards, foreign wines and spirits, and tea, at the following prices, namely :—

<sup>1</sup> Cf. treaties between [Chile and Buenos Aires, Jan. 1819], Chile and Colombia, 21 Oct 1822, and Chile and Peru, 23 Dec. 1822. *B.F.S.P.*, xii. 811 ; xi. 213 ; xii. 813

<sup>2</sup> The Chilean loan for £1,000,000 was issued by Hullet Bros. and Co. in 1822 at 70. The Government pledged the revenues of the state for the payment of principal and interest, and was in default by 1826. Barros Arana, *op. cit.*, xiii. 747-63 ; xv. 70-5.

Tobacco	Saña, a particular kind from Guayaquil, at 5 rials per bundle of 12 ounces.
Do.	Virginia, Guayaquil and the coast below, at 6 rials per lb.
Do.	Grown in Chile by the contractors, at 3 rials per lb.
Do.	Havannah, at 8 rials per lb.
Snuff	Havannah, at 6 dollars per lb.
Do.	Rapee, at 4 dollars per lb.
Segars and the other articles, at whatever prices they will produce in the market	

The conditions and chief articles of the contract <sup>1</sup> are as follows, viz :—The government engage to advance, without interest, to the contractors, either in approved tobacco at half the monopoly prices, or in cash, on or before the 1st April 1825, five hundred thousand current dollars, and if this advance be not paid on or before the 1st January 1825, then to allow, further, to the contractors an interest at the rate of one and a half per cent per month on the deficiency from the latter to the former date.

In consideration of which advance and exclusive privilege the contractors engage, on their own account and at their own risk, to place in the hands of the agents of the Chile government in London, in the month of September 1825, the sum of \$177,625 ; and at the expiration of every succeeding six months from that time, until the contract cease, to pay the like sum in the like manner ; to give good security for the said advance of \$500,000, and at the conclusion of the contract to return the whole amount, but reserving to themselves the choice of returning a proportion, not exceeding \$200,000 in monopolized articles at half the monopolized prices. Moreover they engage to pay in Chile to the government every twelve months after the 1st April 1825, until the contract cease, the sum of \$5,000.

The government engage to punish (according to the laws in force against smuggling, viz. imprisonment for the 1st and 2nd offence, attended with confiscation of the property, and a temporary suspension of business, for the 3rd, transportation for three years, and prohibition from carrying on trade for the future in any part of Chile) every individual convicted of having in his possession or selling monopolized articles, at the expiration of fifteen days from

<sup>1</sup> The contract was made with the firm of Portales, Cea i Compañía on 20 Aug. 1824, and is printed in Letelier, *op. cit.*, xi. 103-4. The company, however, was unable to fulfil its obligations, and at the end of two years its contract was annulled. The liquidation of its affairs roused great feeling, and the group which acknowledged the leadership of Diego Portales was known as the 'Partido del Estanco'. Cf. Barros Arana, *op. cit.*, xv. 75-8.

the signing and publication of the contract (that is, in 15 days from the 23 August 1824) unless such individual holds a licence from the contractors; and, generally, they engage to protect the contractors with their whole influence.

The contractors engage to purchase the whole stock of monopolized articles in private hands, at the prices current before the execution of the contract, these prices to be fixed by the Tribunal of the Consulado, and afterwards made publicly known.

The government engage to charge no duties on the monopolized articles, either on their importation or internal circulation, except half the present rate of duty, and the whole cocket or permit duty on foreign wines and spirits. All monopolized articles must, however, be imported through the privileged ports, and with the knowledge of the Custom House authorities, under pain of seizure.—To permit the contractors, alone, to plant tobacco in Chile. Any one else so doing to be subject to the same penalties as when tobacco was monopolized by the government.—To exempt all persons in the service of the contractors from military and other personal service.—From the signing of the contract to allow no one but the contractors to import monopolized articles, either by the frontier or by sea, nor to transport them from one province or place to another, under pain of confiscation, except with a permit from the contractors.—Not to suffer any vessel (having any of these articles on board) to remain in any port more than 16 days from the time of anchoring, except for account of the contractors, and to punish any vessel, convicted of concealment, in confiscation of the property, and of the hull and tackle of the vessel, one third of the seizure to be given to the informer.

Goods may remain in bond in the ports of Coquimbo, Valparayso, and Talcahuano for eight months, paying a warehouse rent of two rials per package, or one rial per quintal, per month, and a duty of three per cent. on re-exportation.

The charges of landing, Custom House, stowage and all other incidental expenses, may be averaged at a dollar for a package of 200 lb. weight. There are no charges for lights or pilotage.

The following are some of the general regulations with respect to trade throughout Chile, viz :—<sup>1</sup>

<sup>1</sup> See the *Ampliación al Reglamento del Libre Comercio*, 1823, Letelier, *op. cit.*, vii. 166–8.

Two hours after anchoring the master, under a penalty of \$25 for every succeeding hour delayed, and of \$200 if any person but the authorities hold previous communication with the vessel, must deliver in a manifest of her cargo, and all private correspondence.

Eight days after anchoring, consignees, under penalty of \$200 per day for delay, must make entry.

Vessels having goods on board for other ports must either clear out in eight days after discharge of the rest of the cargo, or deposit those goods in the Custom House, and the agents or consignees must enter them within six days.

All goods not entered and not declared for other ports to be seized, and the informer to have the value beyond double the amount of the duties. On goods liable to get damp two per cent. to be allowed, for excess of weight ; on other goods, one per cent.

The duties are paid in promissory notes, by natives in three equal payments at 3, 5, and 6 months ; by foreigners in two payments at 3 and 4 months ; and, as every consignee must provide a surety, the goods are delivered, if required, immediately after the surveyor has fixed the amount of duty and the promissory notes are signed by the consignee and his surety.

Goods once delivered from the Custom House for home consumption are not afterwards to have the duty returned.

The Surveyors of the Custom House fix the current market value of goods imported upon which duty is to be levied. But if the merchant be dissatisfied he may appoint two respectable merchants to value the goods upon oath.

Vessels in the coasting trade give security to land their cargoes at the specified port of delivery within two months, at the expiration of which time, if proof to this effect be not produced, the foreign export duty may be levied.

Goods dispatched for the interior through the privileged ports, and no proof being exhibited that the import duties have been paid, shall be revalued at their place of arrival and pay a duty of six per cent. And goods valued at the sea port and having paid the legal duty upon that value shall yet be subject to pay at any Custom House in the interior the rate of duty upon the difference between the port and interior market valuation.

The daily consumption of provisions by vessels in the privileged ports is, so long as the indulgence be not abused, free of duty. Every augmentation

of duties upon foreign importation ought not, by decree of 30 June 1823 (which, however, in the case of the monopoly of tobacco etc. was not observed) to take effect until after the expiration of

40	days for Peru
50	„ for Guayaquil
30	„ for Buenos Ayres
40	„ for Monte Video
60	„ for Rio de Janeiro
90	„ for all other the late Spanish American States ;

and agreeable to a decree of 30 September 1820, confirmed with the foregoing, six months for Europe, Asia, and the United States of America.<sup>1</sup>

Every thing may be exported and imported into Chile by the privileged ports and by the Cordillera, provided it be done legally through the Custom House, excepting money coined in Mendoza and excepting uncoined gold and silver.

Among the regulations for free commerce published in 1813 there appears a very important one to this effect, viz :—

That in case of war with foreign governments, the property of merchants, subjects of that government in Chile, shall be inviolable and under the protection of the Law of Nations and enjoyed as in time of peace. And should any foreign merchant at any time die in Chile his property shall pass to his legitimate heirs, that is, to those to whom he may leave it by will, or to those who, according to the laws of his own country, ought of right to inherit it, it being understood that in either case the proper legal forms must be complied with and that equal indulgencies are granted by the foreign governments respectively to natives of Chile resident or dying in that country.

[Appendix]

*Tariff of duties levied in Chile on goods imported and exported* <sup>2</sup>

Duties levied on foreign merchandize imported into Chile.

All merchandize not particularly specified in this tariff	27 per cent.
Silk manufactures, although mixed with silver and gold	15 per cent.
Raw or spun silk	
All kinds of thread lace	
Raw cotton, vicuña wool, iron, steel, wax, crude or in lumps, indigo, logwood, Brazil wood, all materials for dyes	5 per cent.
Gold and silver plate, pearls and precious stones, watches ;	
lace, thread, twist, trimmings, military epaulets	
	of fine gold or silver

<sup>1</sup> Ampliación al Reglamento del Libre Comercio, Art. 53.

<sup>2</sup> *Supra*, p. 91, n. 4.

Wine, spirits and beer, not otherwise described ; furniture, ready-made clothes, boots and shoes	40 per cent.
Wines, rum and brandy in barrels of what sort soever	4 rials per gallon.
Yerba maté, of whatever quality	6 dollars per arroba until 1st January 1825, then to be \$4.
Raw sugar, of whatever quality	2 dollars per arroba until Jan. 1 1825, then to be 1 dollar.
Lump, or crushed sugar	3 dollars per arroba until Jan. 1 1825, then to be 2 dollars.
Snuff, in general	\$1 and 4 rials per lb.
Rapee snuff	6 rials per lb.
Segars	4 dollars per thousand.
Raw tobacco	20 dollars per quintal.
A bundle of tobacco of whatever establishment and not exceeding 12 ounces in weight	1½ rials per bundle.
For monopoly of tobacco, snuff, playing cards, foreign wines and spirits and tea granted, see the accompanying dispatch dated Valparaiso, 17 March 1825	
All merchandise on its importation shall pay for warehouse duty by piece or quintal	1 rial.
All kinds of wood imported coastwise into Chile ; quicksilver, books, maps, geographical charts, swords, sabres, pistols, muskets, cannon, gunpowder, balls and munition of war, printing presses, philosophical, mathematical and musical instruments, utensils and machinery for Chile manufacture, gold and silver in coin or bullion, horned cattle, horses and animals producing wool.	Wholly free of duty.
Produce of the provinces of Mendoza and San Juan (excepting soap which must pay \$2 per quintal and excepting wines and spirits which pay the duty agreed upon, and can only be imported by the contractors for the monopoly).	Free of duty for four years from the 19th March 1824.
The foregoing kinds of merchandize in transit, or on exportation to foreign parts ; namely,	
That not particularly specified shall pay on exportation by sea or the Cordillera	3 per cent.
That which pays on importation five per cent shall pay on exportation by sea or Cordillera	1 per cent.
Wines, spirits and beer, imported by the Cordillera and exported by sea to foreign parts	10 per cent.
Merchandize in general imported by the Cordillera, or imported by sea and exported by the frontiers	5 per cent.
Cash, in transit	2 per cent.
Gold and silver bullion in transit	1 per cent.

*Port duties and charges*

National vessels from foreign ports	1 rial per ton. <sup>1</sup>
Do. in the coasting trade	2 dollars per vessel.
Foreign merchant vessels	1 rial per ton.
Whalers	10 dollars per vessel.
Foreign and national vessels of war	Nil.
Passports for individuals proceeding anywhere out of Chile, but to South American ports	8 dollars
Do. for do. to South American ports	4 dollars
Captain of the port's fee on vessels anchoring	16 dollars
Hospital money, or rather for permission to water	4 do.
Reporting vessel inwards	4 do.
Entering goods for home consumption	2 do.
Custom House officer in charge of vessel	4 rials per diem
Entering vessel for loading	8 dollars
Sailing license	16 do.
Fee to Governor's secretary countersigning sailing license	2 do.
Post Office fee delivering outward manifest	2 do.
Entering goods for exportation	2 do.
Permits for goods sent into the interior	4 rials
Fees to officers in the Resguardo or landing waiter's office	Optional, about 4 dollars.
Do. to do. in the Custom House	Optional, about 17 dollars.
Captain of the port's fee making his final visit, ere sailing	2 dollars.

Merchandise imported in national vessels, commanded by a captain and one-fourth of the crew, Chilenos, is allowed a reduction of twenty per cent. upon the amount of duty; provided the vessels have taken out a 'patente' or licence, which is renewed every two years, and costs for three masted vessels, one hundred dollars, and for two masted vessels, fifty dollars.

Foreign consignments to natives of Chile have a reduction of ten per cent. upon the amount of duty.

Goods entering into the Custom House stores, after fifteen days, pay for warehouse rent one rial per day for every quintal or piece.

The duties are levied upon the market valuations.

Importations, the property of natives, in foreign vessels, are entitled to a reduction of ten per cent. on the duty.

The transhipment of jewels, or gold and silver coin, or bullion, pays one half per cent.

The foregoing reduction of ten and twenty per cent. cannot, in any case, be allowed upon the same goods.

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<sup>1</sup> It should be  $\frac{1}{2}$  a real.

*Duties levied on the produce and manufactures of Chile exported to foreign parts*

On everything not particularly specified	8 per cent.
On exportations in national vessels, commanded by a Captain and one fourth part of the crew, Chilenos	6 per cent.
On everything exported by land	8 per cent.
On copper in bars or cakes, in foreign vessels,	
duties of fifths	4 $\frac{3}{4}$ rials
do. of mines	1 "
do. of Custom House	10 $\frac{1}{2}$ "
On copper in bars or cakes, in national vessels,	
duties of fifths	4 $\frac{3}{4}$ rials
do. of mines	1 "
do. of Custom House	6 $\frac{1}{2}$ "
On silver, in hard dollars or half-dollars	2 per cent.
On gold in coin	$\frac{1}{2}$ per cent.
Cordage, hemp, raw flax, wines, beer, and spirituous liquors, and pit coal are	wholly free of duty.

*Inland trade and coasting trade in national vessels*

National vessels in the coasting trade pay for merchandize not free of duty on its exportation	6 per cent.
The same vessels in the same trade, not carrying a Chileno captain and crew, on the foreign merchandize they may carry	6 per cent.
Flour, wheat, jerked beef (charqui), tallow, charcoal, pit coal, fire-wood, coarse meal (frangollo), roasted maize (chuchoca), pulse (menestras secas), olives, walnuts, dried figs and peaches, saffron, pangui, potatoes and all esculent vegetables	} wholly free of duty.
Foreign merchandize, after having paid the import duties at the Custom Houses of the interior	
Foreign vessels in the coasting trade, for all merchandize carried on board, shall pay on exportation of the same	6 per cent.
The 'ad valorem' duties on the produce of the country are levied according to a scale of prices fixed every six months, in the presence of the Principals of the Custom House, by a Custom House Surveyor and two merchants named by the Custom House.	

A Spanish arroba weighs about	25 $\frac{1}{2}$ lbs.	English
A Spanish quintal	" "	102 lbs. "
A Spanish fanega	" "	153 lbs. "



## VI. PERU

[F.O. 61/8.]

Charles Milner Ricketts<sup>1</sup> to George Canning.

No. 26.

British Consulate,  
Lima, 27 December 1826.

I request you to excuse my not having earlier addressed you on the commerce of Peru,<sup>2</sup> as many circumstances have opposed my performance of this duty. I had reckoned on obtaining a report

<sup>1</sup> There is a duplicate of this report in B.T. 6/60. Thomas Rowcroft had been appointed consul-general for Peru on 10 Oct. 1823, and reached Callao on 8 June 1824. On 6 Dec., having dined on board H.M.S. Cambridge, then in harbour, he returned to Lima after dark, was fired on by mistake by patriot soldiers and mortally wounded. His successor, Charles Milner Ricketts (1776-1867), was appointed on 5 July 1825 and arrived at Lima on 15 Jan. 1826. He returned to England in May 1827, but remained consul-general till Jan. 1830. Ricketts had been appointed a member of the Supreme Council of Bengal in 1817; he was M.P. for Dartmouth from 1820-2; and he became a Fellow of the Royal Society in 1820.

<sup>2</sup> Despite early manifestations of discontent and a formidable rising in 1814, Peru, the home of a privileged nobility and the seat of wealth and power, long remained the stronghold of the Spanish crown in South America. It was not until 28 July 1821 that her independence was proclaimed by the Argentine San Martín, whose army of liberation had arrived in the ships of Chile commanded by the Scottish Lord Cochrane. A year later the liberating streams from the north and the south met, when San Martín and the great Venezuelan liberator, Bolívar, held their celebrated and mysterious interview at Guayaquil. Thereafter San Martín, protector of Peru, withdrew, and in Sept. 1823, Bolívar, president of Colombia, himself arrived at Lima. But it was not until General Sucre, the Galahad of South America, had defeated the royalists at Ayacucho on 9 Dec. 1824, that the independence of Peru—and South America—was finally assured. Meanwhile, on 10 Feb. 1824, Bolívar had been appointed by a Peruvian congress dictator of Peru. In the two and a half years since independence, and while that independence was still contested, the distracted country had been ruled by an Argentine protector, a

from the British merchants of this place<sup>1</sup>; but I found that the persons who composed the mercantile body had different objects and views, and that as the whole system of the trade may be said to be corrupt, it was in vain to expect them to unite in a communication of facts. The full occupation of my time in the various duties to which I have had to attend will appear by my several despatches to you; and when I commenced on my review of the trade of this port, I perceived that if I limited it to that subject the information would be meagre and imperfect, as the commerce of Great Britain with Peru embraces a connection with the several ports along the whole eastern coast of the Pacific. Moreover I was aware of your expecting from me a communication generally on the commerce of this extensive line of coast, and the collection, therefore, of the materials which I desired to submit to your consideration was obviously attended with many difficulties. Most of the records of the Spanish authorities had been destroyed, and hence a thorough insight was not procurable into former commercial transactions; and of late years the frequent changes of the Government during the revolution had caused an interruption of regularity in the public accounts; whilst from the corruption which prevailed among the Custom House officers, large quantities of goods had been fraudulently introduced. It became necessary also, as there had been a large excess of British exports,<sup>2</sup> to consider the probable future returns of the country. This led me into a tedious inquiry relative to the produce of the mines, the result of which I had the honor to communicate to you in my despatch No. 19,<sup>3</sup> and it remained to be seen, now that this government had become com-

native junta of three, and two native presidents. A congress had met in 1822 and had promulgated a constitution in 1823. Its life was short. In Sept. 1826, Bolívar resigned his powers to General Santa Cruz and departed for Colombia, and at the end of November the constitution which he had drawn up for Bolivia was adopted by Peru with slight modifications, only to be rejected in favour of its predecessor early in the following year. This itself was abandoned for a fresh constitution in 1828.

<sup>1</sup> The British settlement at Lima began in 1821, and by 1824 there were about 250 English residents, comprising 20 commercial firms with their clerks, and a few shopkeepers, public-house keepers and artisans. There were also some 16 British establishments or agencies at Arequipa. Rowcroft to Canning, 23 Sept. 1824 (no. 12), F.O. 61/3; Memoranda by Rowcroft, 15 Aug., 18 Sept. 1824, F.O. 61/2 and F.O. 61/3.

<sup>2</sup> *Supra*, p. 93, n. 2.

<sup>3</sup> Report on the Mines of Peru, Ricketts to Canning, 16 Sept. 1826 (no. 19), F.O. 61/8.

paratively settled, what reforms would be established for placing the foreign trade on a footing which would give encouragement and security to the fair trader. The progress of these inquiries was constantly stopped, as I had to search for and collect facts from different quarters, and to wait the convenience of individuals for giving me the intelligence required; and hence I could have wished to have had more time than I have allowed myself to digest my information, and to lay it before you more clearly and correctly than I am now enabled to do.

I propose to divide my report into two heads, the one embracing a view of the former and present state of the trade of Peru, and the other containing observations generally on the commerce of the western coast of South America, and on its future prospects.

The agricultural products of Peru have ever been very limited in a commercial point of view, which will be mainly accounted for by a few remarks regarding the locality of the country. The territory extends from the desert of Atacama on the south to the river Tumbes on the north, a distance of about 500 leagues, by about 150 in breadth from the Pacific to Brazil. In the space between the Cordillera of the coast and the second and more elevated chain of the Andes are situated the provinces denominated La Sierra. The torrents from the mountains have gradually formed deep and rugged excavations called quebradas, which afford vegetable productions and pasture for cattle, but the higher parts consist of rocky surfaces, either totally bare or covered by a weak moss. In the larger vallies there is generally a scarcity of water, and the face of the country along the coast exhibits a parched and arid sand, where for many leagues it never rains, and through which only two or three rivers direct their course. No country, therefore, is more opposed to the prospect of improvement from the culture of the soil; whilst the smallness of the population, not exceeding a million,<sup>1</sup> seems to remove the hope of any great amelioration of the lands by labor and industry. To repair this sad deficiency Spain introduced negroes at an early period after the

<sup>1</sup> According to the census taken by order of Viceroy Francisco Gil de Taboada y Lemos, the population of the seven intendencies of Peru in 1796 amounted to 1,076,122. The 'Spaniards' numbered 135,755. The figure excludes a number of wild Indians. Fuentes, *Memorias de los virreyes*, vi. app. p. 9. Humboldt's figure for 1823 is 1,400,000. *Personal narrative of travels*, vi. 127.

discovery, and it is computed that 500 were brought annually to Lima within the years 1517 and 1790.<sup>1</sup> Compared with this large importation the number remaining is few; for though contrasted with the rest of the population in Lima the proportion is large, the supply is now very limited in the haciendas or farms, and in the interior of the country. Exclusively of the drawback to rural operations from the deficiency of hands, the further bar to production is to be added of a want of consumption from the general paucity of inhabitants, and the local situation of the country. The produce is often to be brought from a distance of 40 or 50 leagues; the transportation is subjected to all the delays and embarrassments of roads scarcely practicable; and the expense of carriage by mules is very heavy. These combined causes suffice to shew that Spain never drew nor could have drawn from Peru, any productions of consequence beyond her metallic riches. Of the former produce of the mines I have given a description in my report No. 19,<sup>2</sup> and it remains to be seen whether the results there exhibited correspond with the payments for the merchandize introduced, and for other demands on the precious metals.

Spain at first pursued the chimerical design of appropriating to herself the riches of the New World, not only by prohibiting all trade with foreign countries, but by throwing obstacles in the way of the traffic which the natives might establish among themselves;

<sup>1</sup> This statement is taken from the *Mercurio Peruano*, i. 275.

<sup>2</sup> *Supra*, p. 108, n. 3. It is only possible to extract from this lengthy and comprehensive report the calculations made by Ricketts of the produce of the mines of Peru (comprising the intendencies of Truxillo, Tarma, Lima, Huamanga, Huancavelica, Cusco, Arequipa, and the new department of Puno) from 1780 to 1820. The total produce from 1780 to 1789 he estimates at 35,359 marks of gold, and 3,739,763 marks of silver. The mark of gold equalling \$125 and that of silver \$8½, at the rate of 4s. per dollar, this gives a total of £7,241,572. From 1791 to 1805 he calculates that the registered annual average produce of silver was \$4,517,647, and of gold \$412,966. During the next fifteen years he believes that silver production fell about \$500,000 a year, but that gold remained fairly constant. But to these sums must be added the amounts clandestinely exported, which Ricketts estimates at one fourth of the whole. Thus the total average annual produce of gold and silver from 1791 to 1805 equals \$4,930,613, together with \$1,232,653 clandestinely exported, giving a total of \$6,163,266. 'This amount,' says Ricketts, 'corresponds very nearly with that estimated by Baron Humboldt for the same period, and I have reason to think that it exhibits a fair calculation of the average value of the precious metals produced in Lower Peru up to 1820 when the revolution took place.' After that date he is of opinion that the produce of gold and silver fell to about \$3,000,000 a year. For Humboldt's estimates see his *Essai politique*, ii. 602-3, 633.

and although by the edict of Charles the first, dated in 1529,<sup>1</sup> the commerce of the Indies was to be divided between the different ports of the Ocean and Mediterranean, to the end that its advantages should be circulated through all the provinces of the crown of Castille, the severest penalties were enacted to oblige the homeward bound vessels to proceed directly to Seville. The system of the galleons was chosen as the most secure, and in the seventeenth century the extent of tonnage was regulated at 15,000 tons, for the consumption of Peru and all the ports on the Pacific. In 1740 it was reduced to 2,000 tons, the contraband trade having absorbed the rest.<sup>2</sup> The returns to the mother country were proportionate to the small share of influence and interest she had in this commerce, and in the space of 26 years from 1714 to 1739, thirty four millions of dollars only were registered. During this time not more than four armadas put to sea, although the regulation stipulated that the galleons should be despatched annually, or within the limit at most of eighteen months.<sup>3</sup> In 1748 the contraband trade was partly counteracted by the permission to navigate by Cape Horn in vessels named register ships, by which the relations with Spain became more direct and frequent.<sup>4</sup> The Council of the Indies in

<sup>1</sup> 15 Jan. 1529. Printed in Antuñez y Acevedo, *Memorias históricas*, app. no. 1.

<sup>2</sup> The fleet convoyed to Tierra Firme was popularly known as the *galleones*, that which sailed to Mexico as the *flota*. Joseph de Veitia Linae, in his famous *Norte de la contratación de las Indias Occidentales* (Sevilla, 1672), lib. ii, cap. iv, sec. 29, p. 82, says that the *flota* in this time had been reduced to 3,000 tons. The system was suppressed in 1740. The *flota* of 1736 had contained 3,141½ tons, and the galleons of 1737, 1,891 tons. Lerdo de Tejada, *Comercio exterior de México*, no. 2; Antuñez y Acevedo, *op. cit.*, app. p. xxxiv. The *flota* was re-established in 1754 and the last sailed in 1776. In the above passage Ricketts is relying on an article in the *Mercurio Peruano*, 1. 245. His use of the word 'regulated' is a mistranslation. The author of the article in question seems to have had in mind a statement by Miguel Alvarez Osorio in 1686, cited in Antuñez y Acevedo, *op. cit.*, p. 102, which placed the tonnage of the galleons at that time at 15,000, and that of the *flota* at 12,500. These figures may be accepted, perhaps, for the late sixteenth century, but not for the late seventeenth. See G. de Artífano y de Galdácano, *Historia del comercio con las Indias durante el dominio de los Austrias* (Barcelona, 1917), p. 137. For the contraband trade see *infra*, p. 256.

<sup>3</sup> Galleons sailed in 1721, 1723, 1730, 1737. Antuñez y Acevedo, *op. cit.*, app. p. xxxiv. The first three brought back 34 millions of dollars. The fourth was a complete failure. Dionysio de Alcedo y Herrera, *Aviso histórico, político, geográfico, con las noticias mas particulares del Perú . . .* (Madrid [1740]), pp. 358-9.

<sup>4</sup> This permission was accorded in 1740. Antuñez y Acevedo, *op. cit.*, pp. 110-11.

1778 issued a decree of free commerce to all Spanish ships,<sup>1</sup> but it was not carried into effect until 1783 on the conclusion of the peace. The *Mercurio Peruano*, whence I have collected the preceding observations, adds, (and I notice the fact as corresponding with the present times,) that in the first fervor of novelty the speculations were multiplied to so extraordinary a degree that in 1786, as a market could not be found for many of the goods at any price, the merchants, in order to maintain the equilibrium, committed them to the flames.<sup>2</sup> From original accounts in the possession of a respectable Spanish authority, I learn that from the beginning of 1786 to 1790 the total importations from Europe were thirty five millions of dollars, being an excess of twelve millions beyond the returns.<sup>3</sup> Señor Unanúe,<sup>4</sup> the late minister of foreign relations, in a memorandum which he gave me regarding the commerce of Peru during 15 years from 1781 to 1795, divides that period into two epochs, the one comprising ten years when the trade of Peru with Spain embraced that of Chile and Buenos Aires, and the other the remaining five when the viceroypalties of Chile and Buenos Aires carried on their trade to Cadiz unconnected with Peru.<sup>5</sup>

<sup>1</sup> See the *Ampliación de comercio libre a Buenos Aires*, 2 Feb. 1778, *D.H.A.*, v. 401-5, and the *Reglamento y Aranceles Reales para el Comercio Libre de Española a Indias*, 12 Oct. 1778, *ibid.*, vi. 3-132. See *supra*, p. 28, n. 2, *infra* pp. 352-3.

<sup>2</sup> 'Disertación histórica y política sobre el comercio del Perú', written by José Baquijano y Carrillo, Conde de Vista Florida, under the pseudonym 'Cephalio', in *Mercurio Peruano*, i. 209 (20 March 1791, and following numbers). This article is for the most part translated in [Joseph Skinner] *The present state of Peru* (London, 1805), pp. 80-134.

<sup>3</sup> The 'Relación de gobierno del excmo Señor Virrey del Perú, Frey Don Francisco Gil de Taboada y Lemos' . . . gives the imports from the Peninsula in the quinquennium 1785-9 as \$42,099,313, and the exports thereto as \$35,979,339. *Memorias de los virreyes*, vi. app. p. 17. This *relación* was written by Hipólito Unanúe.

<sup>4</sup> José Hipólito Unanúe (1755-1833), statesman, physician, economist, and philosopher. Unanúe was appointed Minister of *Hacienda* by San Martín in Aug. 1821, and in 1826 he became minister of foreign affairs and vice-president of the council of government. A staunch supporter of Bolívar, he retired from public affairs in September of that year.

<sup>5</sup> Chile, of course, was never a viceroyalty. The memorandum to which Ricketts refers would appear to be Unanúe's 'Compendio estadístico del virreinato del Perú', written in 1797, and based on his own *Guía política, eclesiástica y militar del virreynato del Perú*, which ran from 1793 to 1797. The Compendio is printed in his *Obras científicas y literarias*, ii. 346-61. What Ricketts means to say, and what Unanúe does say, is that the figures for the inland trade of Peru from 1781 to 1790 are reasonably complete, but that from 1790 to 1795 he only possessed the figures for the trade of Peru with Europe.

# PERU

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From 1781 to 1790 the inland trade with Potosí, Cochabamba, etc., then under the viceroyalty of Buenos Aires, averaged annually

in exportations	dollars 2,034,980
in importations	dollars 864,790

leaving a balance in favor of Peru of 1,170,190

which was paid in money coined at Potosí.

This sum added to the average coinage of Lima 4,496,570.6

shews the annual fund of Peru in ready money to have been 5,666,760.6

During the five years from 1785 to 1790 the exportations by sea to the several ports of Spanish America amounted to \$7,823,776.6

and the importations to 8,350,749.6

leaving a balance against Peru of 526,973

which, however, was cancelled by the trade having been almost wholly carried on by vessels belonging to Peru.

From 1781 to 1790 the exportations to Cadiz were 54,837,114.3  
the importations thence 43,241,862.7

Excess of exports 11,595,251.4<sup>1</sup>

During these ten years, therefore, Sr. Unanue shews an excess of exports, whilst I have stated an excess of imports between the years 1786 and 1790. This discrepancy is accounted for by the war having put a stop to the trade during the years 1780 to the close of 1783; by the accumulated amount of the precious metals having been remitted by the ships of war prior to the receipt of any returns; and by the extraordinary quantity of goods imported in 1785-6 beyond the want in the market and the capability of the merchants to pay for them. Hence the totals of the ten years as mentioned by Sr. Unanue will be correct, whilst the excess of imports in the latter five years is explained, as also the consequent fall in price of many of the articles; for instance, wax, which is much required for church ceremonies and commonly sold for 90 dollars the quintal, rose in 1783 to 450, and the price in 1786 was 55. Taking, however, the average of the supplies of the precious metals from Peru, which is the most material point, it appears that during these ten years 49,678,305 dollars were exported in treasure, or 4,967,830 per annum, and this sum deducted from 5,666,760, the annual fund of Peru above stated, leaves 698,930, as the annual surplus, but the whole of this was absorbed by the remittances made by the government to cover certain expenses in Chiloe, Valdivia, and Panamá; by the purchase of tobacco from Guayaquil and the Havanna; and by payment for the negroes sent from Buenos Aires through Chile.<sup>2</sup>

In the second epoch, from 1791 to 1795, the exportations to Cadiz

amounted to 33,313,741  
importations „ „ 21,547,851

Excess of exports 11,761,890

<sup>1</sup> Unanue, *Obras*, ii. 353-4.

<sup>2</sup> Unanue, *op. cit.*, ii. 354.

Of the amount exported the treasure averaged 4,608,502 dollars per annum. The state of the commerce of Peru with the other parts of Spanish America during these five years cannot now be ascertained, but the balance against Lima must have been much increased, as she remitted to Chile 1,430,924 dollars, and to Guayaquil 2,235,719 in Spanish clothing; as she lost the monopoly of the carrying trade; and as the sugars, introduced by Buenos Aires, and the establishment of vine-yards around La Paz, materially diminished the value of the sugars and brandies of Peru.<sup>1</sup>

Now during the period from 1795 to the opening of the revolution in 1820, there appears by all accounts to have been little or no fluctuation in the annual amount of the export of the precious metals, and the average therefore may be fairly reckoned at what is exhibited in the years 1781 to 1795, viz: 4,788,166, which sum nearly corresponds with the amount of the produce of the silver mines and gold lavaderos estimated in my despatch No. 19, viz: 4,918,387, to have been annually received in the royal mints of Peru; whilst, for the reasons therein explained, the balance of the produce of the precious metals assumed to have been conveyed from the country by contraband is 1,229,596 dollars, making the total annual produce, as shewn, to be 6,147,983.<sup>2</sup> Admitting that I have overrated the amount of contraband during some years when it is supposed that there was no smuggling, it is to be recollected that the riches accumulated in the country were great, not only for commercial capitals as will be shewn, but also by individuals, by ornaments for churches, etc., and hence I consider the average of six millions to be a fair estimate of the produce of the precious metals.

It is just here to observe, considering the late cry which has been raised against the mother country, that during the period adverted to, Peru was not only in a flourishing state both in respect to her mines and to her commerce, but also as referable to the capitals possessed by individuals, to the comparative extent of her manufactures, and to her navigation.<sup>3</sup> Between the years 1790 and 1800 there existed in Lima a *commercial* capital of above 15 millions of dollars; whereas in the present year it is under one million, and of this the greater part is unavailable. In 1800 were manufactured to the extent of 187,500 dollars of tocuyos (coarse cotton cloths) at 1½ reals the vara; 150,000 of coarse woollens at 4 reals; and 137,500 of fine woollens at 5½ reals; in preparing the last of which articles 500 to 600 serons of Guatemala indigo were consumed. The sugar estates in the vicinity of Lima yielded

<sup>1</sup> Unanue, *op. cit.*, ii. 354-5. But Unanue gives the export of treasure in these years as \$22,316,995, which gives an annual average of \$4,463,399.

<sup>2</sup> *Supra*, p. 110, n. 2, where the figures actually cited by Ricketts in his despatch no. 19 are accurately given.

<sup>3</sup> In 1816, however, the *relación* of Viceroy Abascal complained that the state of the kingdom was deplorable; and the document could not have made very cheerful reading to his successor. 'Relación del . . . D. José Abascal y Sousa' in Odriozola, *Documentos históricos del Perú*, ii. 7.



200,000 arrobas, of which 120 to 125,000 were exported to Chile at the price of 18 to 20 reals the arroba, 180 to 200,000 fanegas of wheat being received in return, which were sold to the bakers at 16 to 20 reals the fanega of 135 pounds. The merchants possessed 42 vessels, 12 of which were from 400 to 800 tons burthen; and it is asserted as a well known fact that good faith was so prevalent that although large sales were effected on credit, no instance of failure occurred during 30 years, nor even any kind of dispute between buyer and seller.

Unfortunately this favorable picture can no longer be drawn, as the horrors which have attended the struggle for independence have so obscured the horizon that a glimmering only is seen of the bright prospect which may await Peru. At present on whatever point it may be viewed the scene is dismal, and the appearance such as if the country had just suffered from one of those dreadful earthquakes which lay all in ruin and devastation. The lands are waste, edifices to be rebuilt, the population diminished, the government unstable, just laws to be established, new capitals to be raised, and tranquillity to be secured. The ground plan of improvement is not yet traced, and I lament to add that in the train of evils pressed on the country, Great Britain is exposed to become a sharer.

The several difficulties which oppose the commercial prosperity of South America, as so frequently brought to your notice in the reports from the several States, exist in an equal if not in a stronger degree in Peru. A want of population necessarily causes an excessive scarcity and dearness of labor; the disposition of the people is feeble and inert; they are most ignorant; and the comforts and even the decencies of life are generally unknown. The independence of Mexico was followed by the liberal and judicious policy of retaining the Spanish capitalists in the country, and many therefore remained; whereas in Peru they were all persecuted, and ultimately banished, and the consequence has been that the capital which existed has disappeared with its possessors, the European Spaniards.<sup>1</sup> The narrow views of the revolutionary governments have opposed the fundamental principal of its boasted freedom of trade. In their desire to obtain resources they conceived that the readiest mode of acquiring them was by the imposition of heavy duties;

<sup>1</sup> The government of Mexico, however, by decree of 20 Dec. 1827, ordered the repatriation of old Spaniards, with certain exceptions. *Colección de órdenes y decretos de la soberana junta* . . . iv. 131. For the Peruvian treatment of the Spaniards see Vargas, *Historia del Perú independiente*, i. 265-7.

old prejudices prevented their believing that the income of a state will be progressively augmented by leaving merchants to derive the advantages which they expect from low profits on extensive dealings ; and contemplating the mines as yielding an inexhaustible supply of wealth, they saw not that the results of a liberal commercial system would prove the only sure means of securing an increase of trade, industry, capital, and population. Prohibitions and absurd enactments met the fair trader at every step ; he was obliged to abandon his speculations unless he became a party to the contraband system which others pursued ; and he found that he could resort to it with impunity, as in case of detection a bribe ensured connivance.<sup>1</sup>

At the breaking out of the revolution the success of the first British traders was very great ; the goods imported were all in demand, and there was a pressure for remitting the wealth which had been accumulated by those who sought to leave the country ; the gold and silver money and ornaments were taken from the places of their concealment ; the British captain was astonished at the riches he received ; and the most exaggerated notions were entertained of the wealth of the country. To enable you to judge of the quantity of the precious metals so shipped from Lima between the years 1819 and 25, I inclose a statement, No. 1.<sup>2</sup>

The leaders of the Spanish and revolutionary armies were also alert in stripping the capitalists ; confiscations were made on frivolous pretexts ; and churches were robbed of their ornaments to pay the expenses of the troops. The riches of Peru thus gradually disappeared ; part has been drawn to Spain, part has been received by England, and the remainder has been dispersed by payments to the naval armaments and to the troops of Buenos Aires, Chile, and Colombia, which assembled to aid Peru in the cause of liberty.

<sup>1</sup> *Infra*, pp. 143 ff.

<sup>2</sup> *Infra*, p. 195. Rowcroft's estimate of the amount of bullion shipped from the Pacific coast in the five or six years prior to 1824 was \$40 million. Memo. of 14 Oct. 1824, B.T. 6/60. Half of this, he thought, was shipped without payment of duties. At the beginning of the revolution British merchants seem to have supplied patriots and royalists with impartial neutrality, but their complaints of losses, seizures, and forced loans were soon loud and long. In 1823 the house of J. P. and W. P. Robertson had eight ships en route for Lima with goods to the value of \$600,000 (W. P. Robertson to Parish of Bath, 11 June 1823, F.O. 6/1) ; and \$3 million of British capital was said to be tied up in credits and property at Arequipa alone in 1824. Memo. of Rowcroft, 18 Sept. 1824, F.O. 61/3.

The late disastrous wars have further diminished the already scanty population; and mining, which displayed some advancement to industry, and formed the productive wealth of the country, has been checked in its operations, as detailed in my report No. 19,<sup>1</sup> by the want of capital, by the destruction of machinery, and by the enlistment of the miners in the army. This ruin of many rich families, the emigration of others, and the long suffering of the people from the late continual wars, have occasioned so much poverty and such extensive desolation to the country, that commerce was only likely to thrive by the creation and prudent application of new capital. Hence the obvious course for the British merchants to have adopted was to supply the market by degrees; but instead of this, the spirit of speculation and the exaggerated accounts of the wealth of Peru, induced the consignment of numerous ships hither with cargoes far exceeding the wants of the people and their ability to pay for them. The consequence is that the British commodities generally have been reduced in price, and that many will not yield their prime cost.<sup>2</sup> Previously, however, to my entering on a view of the trade to this country from Great Britain, as well as from other nations, it is desirable, in order to keep my narrative more connected, to speak of the products, manufactures, and exports of Peru, since on their results will depend the justice of the conclusions which I shall have to draw regarding the extent of the late and of future imports to the respective ports on the Pacific.

The returns from Peru for cargoes imported from Europe, the United States, India, and China, may be said to be limited to the precious metals, since the few other productions are in such inconsiderable quantities as to form no object at present to foreign interests. A cargo or two of bark, value about 148,000 dollars; cotton 97,000; vicuña wool 28,750; sheep's wool 43,750; and hides 50,000; add to these an estimated increase of bark and cotton, 132,500, will give an estimated total of 500,000 dollars. The exports of the precious metals to Europe have, as already stated, been very considerable since the breaking out of the revolution, but the amount forms no criterion of the future returns for foreign

<sup>1</sup> *Supra*, p. 108, n. 3.

<sup>2</sup> *Supra*, p. 93, n. 2. Miers states that at the time of Cochrane's capture of Arica the markets were glutted with English goods. Forty British vessels were said to be detained at Arica on demurrage, 'the cargoes worth little more than their freights, charges, and expences, and the supercargoes in absolute despair' *Travel in Chile and La Plata*, ii. 59.

imports. In my despatch No. 19, I have explained my reasons for considering that for the next three or four years the annual produce of the mines will not exceed four millions of dollars, and that no more than two millions or £400,000 sterling should be estimated as a remittance from *Peru* to England, in payment of British imports and of the interest on the loans<sup>1</sup>; but I have shewn also that Peru and Bolivia abound in metallic riches, and that under prudent management, British capital, skill, and industry, cannot fail to bring the mines into active operation.

At present the country is tranquil, and two of the causes of the late diminished supplies will speedily be removed, viz: the want of quicksilver, and the scarcity of mules for the conveyance of salt to the mines; and since writing my report above-mentioned great success has attended a few of the native proprietors in Pasco, who, from falling in with a rich vein of ore, obtained in one week a produce of about 80,000 dollars, deducting all expenses. This enormous return will probably not long continue, but I mention the fact in order to support the hopes which may be entertained of an increased supply of the precious metals when British capitalists are induced to settle here, and embark in mining speculations with circumspection and steadiness. Until then, however, supposing that similar partial successes should continue, and that I have underrated the products of the mines, still an excess of the estimated amount of two millions of dollars should not be looked to by Great Britain, since any surplus should be taken, as also the value of the cargoes of bark, etc., with the resources hereafter stated, as a set off against the imports from the United States, France, etc. Indeed a diminution of the amount may be expected, if the foreign importations average those of the last twelve months.

It is desirable here to consider also what products Peru yields for exportation to Chile and Guayaquil, in return for articles of consumption for which she is dependent on them, so that a notion may be formed whether or not the natural productions of her soil balance those which she draws from these States. Sugar, cotton, salt, Pisco brandies, and rice, constitute the articles supplied by Peru; and she receives cacao, hemp, leather, and wood from Guaya-

<sup>1</sup> *Supra*, p. 108, n. 3; 110, n. 2. A loan for £1,200,000 was contracted with Frys and Chapman in 1822 at 6 p.c. £450,000 was issued in that year at 88, and £750,000 in 1824 at 82. A further loan for £616,000 at 6 p.c. was contracted with the same firm in 1825 and issued at 78. The government fell into arrears by October 1825.

quil, and chiefly wheat, wood, and some tallow and dried fruits from Chile. In 1789 when the trade was flourishing under the Spaniards, the exports to Guayaquil amounted to 128,295 dollars, and the imports thence to 284,460, so that the balance against Lima was 156,164. The amount of the exports to Chile was 458,317 dollars, and of the imports 629,800, leaving a balance in favor of Chile of 171,483.<sup>1</sup> A deduction, however, should be made from this as a part consisted of foreign productions, but the quantity of wheat alone was 218,000 bushels, valuing 275,000 dollars.

During the revolutionary times the slaves who were the cultivators of the sugar cane, etc., were dispersed from the several estates; many were engaged in the different armies, and others fled into the interior, whilst their places have not been and cannot be supplied, as slavery is abolished,<sup>2</sup> and as all efforts have hitherto failed to induce the Peruvians to hire themselves as agriculturists, owing to their disinclination to the labor, and to their belief that they cannot live in the lowlands. The consequence is that the quantity formerly produced of the articles mentioned is now considerably diminished, and that any material increase is unlikely. The price of *sugar* imported into Chile during the time of the Spaniards was 2 dollars and 2 reals the arroba of 25 pounds. This is now the price obtained by the planter at his estate. It can be sold in Lima by him or by the purchaser at wholesale for 4½ to 5 dollars, which leaves the importer a fair profit taking the average of the charges whether by sea or land; and the retail price in Lima is 7 to 7½ dollars. The amount estimated to be sent to Chile calculating its cost on board at 3½ dollars per arroba is 175,000 dollars; but to Guayaquil none is now exported owing to a prohibitory duty there on it. The cultivation of the *vine* is chiefly confined to Pisco and its environs. The quantity of brandy formerly produced was 70,000 jars of 18 gallons each, and 15,000 jars of wine, besides a small quantity near Arequipa; but from the want of laborers no more than 16,000 jars of brandy are now made, and little or no wine. The export of brandy, therefore, is only 100,000

<sup>1</sup> The above figures are taken from the *Mercurio Peruano*, i. 232.

<sup>2</sup> The children of slaves born after the declaration of independence were declared free by law of 12 Aug. 1821. A scheme of gradual compensated emancipation was introduced, and slaves serving in the army were freed. (Laws of 21 Sept. 1821 and 8 March 1822). Moreover, the importation of slaves was forbidden. But negro slavery continued to exist in Peru. F. García Calderon, *Diccionario de la legislación Peruana* (2 vols., Lima, 1860-2), ii. 61; Vargas, *op. cit.*, i. 204, 242.

dollars to Guayaquil, and none to Chile. *Salt* is obtained at Salinas near Huacho, and the quantity exported is estimated at 8,000 tons, or 96,000 dollars. Guayaquil has put a prohibitory duty on it, but half of the quantity goes to Chile. *Rice* is grown from latitude 6 to 9. The quality is preferred to that brought from the East Indies or from North America, and the quantity produced is about 25,000 quintals. Its price is about 11 dollars per quintal, and the quantity exported to Chile is estimated at 66,000 dollars, and to Guayaquil 77,000. The *cotton* sent to both places does not exceed 6,600 dollars, as the major part produced forms now a remittance to Europe and the United States.

The imports from Guayaquil are cacao 150,000 dollars, hemp 10,000, leather for saddles, etc., 30,000, and wood 30,000. The imports from Chile are tallow 55,000, dried fruits 50,000; but compared with former times the supply of wood has been inconsiderable, and that of wheat during the last 12 months, which give the largest return of late years, did not exceed 150 to 200,000 dollars. The falling off is attributable to the distracted state of that country in 1823 and 4, when the produce was not beyond its own consumption, to the augmentation of the price, to the high duty levied on it here of 3 dollars per fanega, and to the introduction of flour from the United States, of which I shall speak on reviewing the imports thence.

On the whole, therefore, although the products of Peru have decreased, as on the other hand the imports from Guayaquil and Chile have diminished also, the trade between them, setting the totals of her exports against their imports, is nearly balanced, viz :—imports 525,000 dollars, and exports 474,600; but supposing it to be more against Peru, she will not have to pay the difference in dollars to them, but to the British merchant, who from being the chief conductor of the coasting trade exchanges his merchandize for the excess of the supplies from those parts. This latter observation applies of course equally to articles of minor importance which are brought to Peru from neighbouring countries, such as tallow from California, etc. Hence this branch of the trade of Peru does not affect her resources which I have estimated for British imports. In the second part of this report I shall notice some of the minor products of Peru which might with attention be rendered in the course of time available as exports, such as indigo, anatto, cochineal, coffee, gums, etc.; but reviewing the total existing resources of Peru to meet her foreign imports, I come to

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the following results, as operative for the next 3 or 4 years ; that is, until the mines can be rendered more productive :—

Present estimated produce of silver and gold		Dollars.
Deduct one million as follows :		4,000,000
Supposing the government to allow the exportation of plata piña on the plan which I shall hereafter discuss,		
* say plata piña, 2,000,000 ; duty 10 per cent.	200,000	
Coinage, 2,000,000 at 11 per cent. ; charge	230,000	
Profit on alloy of do. at 2½ per cent.	50,000	
Duty on export of coin at 2½ per cent.	50,000	
	<hr/>	
	530,000	
* which sum will be a set off against the interest on the English loans amounting to 544,800 dollars.		
Reservation for capital	470,000	
	<hr/>	
	1,000,000	Available returns.
		<hr/>
		3,000,000

Note. Should the export of plata piña continue to be prohibited, the sum estimated for the duty may be expected from an excess of the coinage, whilst the balance of plata piña will be smuggled out of the country.

The receipts of the revenue on commercial duties and on other branches will be absorbed by the expenses of the government, by the part payment of the debts to Columbia, Chile, and Buenos Aires, etc. But supposing the government to consolidate its various debts to British and North American subjects, etc., amounting to say 3 millions, and to pay the whole off gradually by instalments from the sale of mines, church lands, etc., the annual surplus may be estimated at

Value of the exports of bark, cotton, vicuña and sheep's wool, and hides	500,000
	<hr/>
	500,000
	<hr/>
Total available resources	Dollars 4,000,000

The estimated returns for foreign imports may be distributed as follows, reckoning the value of the goods at the sale prices.—

United States—reckoning 70,000 barrels of flour at 9 dollars per barrel—630,000 dollars ; etc.	1,250,000
France	800,000
Netherlands, Bremen, etc.	400,000
Leaving a balance for British imports of	<hr/>
	1,550,000
	<hr/>
	Dollars 4,000,000

The total remittance, therefore, to England, including the interest on the loan, may be 2,094,800 dollars, which accords with the amount estimated in my report on the mines ; but the foregoing statement does not include the imports and exports of Arica and Arequipa, as I shall have to speak on the trade of both those ports in the second part of this report ; and it is to be observed that the imports to the former are chiefly on account of Bolivia. Considering how each nation is pressing her importations into this country, the consignments to Lima will probably exceed the respective sums specified (and particularly during the course of the following year) until the commerce is better understood, and the merchants in Europe are aware of the many difficulties which I shall have to explain regarding the realization of the proceeds of their merchandize. The actual returns will not, I fear, be more than I have estimated ; and in the second part of this report I shall have to notice not only the foreign imports to Arica and to Arequipa, but also those to Chile, Guatemala, etc., and the estimated amount of exports from those countries respectively.

There are no manufactures of any consequence in Peru ; the few articles made in any quantity are coarse grey cotton cloths called 'tocuyos', and rough baizes called 'bayetas toscas', both of which are much worn by the common people. Hats are also made, and a few ordinary articles of clothing. The natives do not manufacture a sufficiency of the tocuyos for the consumption of the country, and the North Americans have introduced considerable supplies of a similar cloth called domestics, on which they have derived great profits. This government in order to encourage the home manufacture has recently imposed a duty of 90 per cent. on the importation of tocuyos, and of various articles of like necessity. Of the effect of this and of other prohibitory enactments I shall have to speak under that head. The enforcement of them is quite impracticable with reference to the extent of sea-coast, and to the existing state of the administration of public affairs ; but admitting the possibility, there is no chance of manufactures being conducted to any extent by the natives. The population is so scanty that the number of workmen cannot readily be augmented, nor is it desirable that they should, since the cultivation of the lands will prove a much more useful as well as a more profitable employment. Moreover the want of industry and intelligence among them, and also of capital, precludes the prospect of machinery being set up on their own account to supply the place of manual labor. Whether in regard to tocuyos, therefore, or other articles, the prevention of their importation would only tend to the substitution of a dear article of inferior quality, for a cheap one of superior, to the profit of a few and the consequent loss of the many.

The policy of this government should be to review the direct



relations between Peru and Europe as those of miner and manufacturer. The increased produce of the mines will circulate wealth, and hence furnish means to the natives for purchasing articles not only of necessity but of comfort, which would be secured to them at cheap rates by moderate duties on imports and a system of fair trade. Few countries require this benefit from foreign intercourse more than Peru, as every article bears an extravagant price ; those even in common use, for instance, wearing apparel, boots, shoes, and hats, can be imported from England of the best description after paying a duty of 30 per cent., on cheaper terms than, comparatively speaking, the worst articles of a similar kind can be made in Lima. The raw materials and artificers are alike wanting, and furniture even can be imported from the United States, though chargeable with a high duty, at a profit, since wood is obliged to be brought from Chile or Guayaquil, whilst a good native carpenter is unknown, and the price of labor is exorbitant. As all, therefore, are interested in obtaining essentials good and cheap, all are necessarily opposed to prohibitory duties. Smuggling, consequently, will deprive the government of its expected gain, and the attention of individuals will be kept to manufactures of no object to the community, instead of being directed to the product of their lands in which foreigners cannot aid them. The people have a right to be supplied with necessaries at the cheapest possible rates, and as their next desire would be to obtain comforts which they greatly need, they would be stimulated to turn to their neglected lands as a means of supplying them ; and here there is every call for improvement, and for all practicable encouragement from the executive. The environs of Lima are now a desert, and yet from the climate, and from there being plenty of water for irrigation, these lands and the several vallies could be rendered most productive. Fruit trees abound in wild luxuriance in their huertas or orchards ; but the quality of the fruit is commonly bad, and the supply not in regular abundance from the absence of all horticultural efforts. Haciendas or farms are rarely even visited by the proprietors, and scarcely an ox or a plough is to be seen ; and the interior of the country is in most parts likewise a barren waste. From the creole some good may gradually be drawn, for although he has imbibed the many vices of his Spanish ancestors, he is beginning to feel that his pomposity and indolence are sorry substitutes for the industry and activity of his foreign competitor ; and he may, therefore, notwithstanding the paucity of slaves, be induced at all

events to rear poultry, cattle, and pigs, in sufficient number to furnish the market with good and cheap provisions, and to render unnecessary the importation of tallow from California, of butter from Europe, and of hogslard from the United States! The conclusion, therefore, is that it is not only impolitic but unjust to press the natives to the manufacture of tocuyos and baizes, or of other articles, when they can be imported at more reasonable prices, and when the productive labors of the people would prove tenfold more beneficial to the community by being directed to agricultural and mining pursuits.

With regard to the trade of British subjects I regret to state that I shall have nothing satisfactory to relate, since the system on which it has been conducted reflects on their prudence and on their credit. Necessity has obliged them to pursue measures which they deprecate; the profits which they have heretofore derived are gradually diminishing; and their complaints are numerous, both in regard to obstacles thrown in the way of fair commercial transactions, and to acts of injustice which they have experienced from this government.

The goods imported from Great Britain into this part of South America have been various and very extensive, and as it may be useful to refer to the success which has attended the several manufactures, I enclose a statement, No. 2, concerning observations on the articles produced respectively in England, Scotland, and Ireland, together with a list of the prices (duty paid) of those most important on the 1st of November 1826, by which you will perceive that there is scarcely an article of any description of manufacture, with the exception of silk piece goods, which is not supplied from our country.<sup>1</sup> I enclose also a list, No. 3, of the number of ships which have arrived at this port between the 1st of June 1825 and the 31st of May 1826, and I have specified the tonnage and generally

<sup>1</sup> *Infra*, p. 195. Cf. Stevenson, *Historical and descriptive narrative*, i. 349-50: 'On entering a house in Lima, or in any other part of Peru that I visited, almost every object reminded me of England; the windows were glazed with English glass—the brass furniture on the commodes, tables, chairs, etc., were English—the chintz or dimity hangings, the linen and cotton dresses of the females, and the cloth coats, cloaks, etc., of the men were all English:—the tables were covered either with plate or English earthenware, and English glass, knives, forks, etc.; and even the kitchen utensils, if of iron, were English; in fine, with very few exceptions, all was either of English or South American manufacture.'

their cargoes<sup>1</sup>; but I regret that I possess no means of furnishing their invoice value. The masters of British vessels have not been accustomed to deposit their registers in the consulate; and I could not obtain an inspection of the manifests and invoices from the merchants, as they would not voluntarily exhibit those documents from their disagreeing with the entries at the Custom House.

I have adverted to the system of contraband which exists. During the revolutionary times it was certainly more prevalent than it now is, but the practice still continues, and will continue until a thorough reform is made in the commercial regulations, the present rate of duties is lowered, and the Custom House officers are placed on a more respectable footing. Soon after my arrival here I suggested to this government the expediency of establishing some suitable checks, and of adopting the usual port regulations, in order to oblige masters of vessels to produce the documents required before their vessels were permitted to quit the port. In reply I was informed that the government had resolved not to admit of any alteration at present: but that it would be happy to reform any irregularities which might affect British interests, as soon as a commercial treaty was celebrated between the two countries.

From the Custom House in England information can be procured of the value of the consignments to these countries<sup>2</sup>; and a particular knowledge of the actual value of the late imports into Peru is not very important, as it would not form any criterion of what the trade will be, since the quantity of goods has far exceeded the capability of this country to pay for them; and the consequence is that there is a large stock on hand, whilst many of the articles will not at present yield prime cost. A considerable time, therefore, may elapse ere these are disposed of, with reference to the smallness of the trade, high prices, increasing importations from France, and the want of capitals. Fluctuations will be rare, though they do arise; for instance, three months back, velveteens gave little or no profit, and now they are in great demand for use in the mountainous districts. On the other hand those goods which are selling yield, generally speaking, at present undue prices; which is caused by the want of returns, by the merchant having given long credits, and by the necessity, therefore, on the retailer to keep

<sup>1</sup> Not printed. Ricketts gives the following abstract of tonnage: British, 16,400 tons; American, 20,704; French, 2,796; Dutch, 674. Total, 40,574. The total number of ships arriving, including ships of war, was 368.

<sup>2</sup> *Infra*, pp. 344 ff.

up the rates at which the articles formerly sold. Superadded to this there is no English competition in the market. A merchant newly arriving with his goods is forced to fall into the system which prevails, as from a deficiency of the precious metals and from there being no articles to barter for, his only resource is to consign the management of the sale of them to those who have been accustomed to deal with the natives; and therefore though the supplies of British merchandize are abundant, every article is excessively dear, and the realization of the proceeds most uncertain. Thus has a species of monopoly been created by the resident merchants here which is alike injurious to all parties; and by which Great Britain is likely to suffer more in consequence of the activity roused in France and in the United States, as hereafter explained.

Compared with the returns of precious metals from Peru of past years, and with the extensive consignments of British goods, the sum of about 1,550,000 dollars which I have estimated for merchandize, and 544,800 dollars for the interest on the loans, as the annual remittances to England in the next 3 or 4 years, may appear to be underrated; but exclusively of the reasons which I have assigned in my report, No. 19, for considering that the mines will not speedily be more productive than there calculated, it is to be recollected that England is not now alone in the market, that the United States, France, and the Netherlands are competing with her, and that the quantities of British goods in store are enormous. Indeed from the advices given by the agents here to the manufacturers, I am inclined to think that the supply of goods from England will for some time be very limited, and that the best thing for a British merchant to do, would be to bring to Lima about £50,000 for the purpose of purchasing European articles and of retaining them until the market is improved.

These remarks give a general notion of the disadvantageous position of the British trade, but in order to place this subject more distinctly before you, it is necessary for me to explain how far the British merchant in Lima, and indeed generally in these countries, is interested in the consignments he receives, and what is the prospect of his success and of that of the speculators in England who ship the goods.

The British merchants established in this part of South America are in general merely agents for our manufacturers and exporters. They are paid a commission of  $7\frac{1}{2}$  per cent. on sales, 1 per cent. for store rent,  $\frac{1}{2}$  per cent. for port agency, besides small charges for

portage and the transport of goods, and  $2\frac{1}{2}$  per cent. more on the shipment of any goods to England. The 'del credere'<sup>1</sup> or guarantee of  $2\frac{1}{2}$  per cent. is not always paid by the shipper, which he will have cause to regret as the charge is trifling compared with the risk.

The British merchant, from his superiority over the natives in activity and information, and from having had a command of funds, has gradually acquired a great share of the trade along the coast, and to the interior of the country. During the struggle between Spain and her colonies he was at first prohibited from introducing his goods, but he contrived to land them clandestinely and to considerable advantage. A short time prior to the termination of the war the Spanish authorities were obliged by their necessities to relinquish the prohibitory system,<sup>2</sup> and smuggling on an extensive

<sup>1</sup> The 'del credere' is a premium in return for which the agent makes himself responsible for the payment of the debt to the principal.

<sup>2</sup> During the winter of 1807-8 there is evidence of 11 British ships with a cargo valued at £933,000 clearing from Great Britain for Chile and Peru. The earlier of these sailed for the purposes of contraband, the latter, after the formation of the alliance with Spain, in the expectation of admission to colonial ports. Perhaps four or five of them actually went to the Pacific (some got no further than Buenos Aires), and four at least of these were captured by the Spaniards. Cf. Hullett Bros *et al.* to Canning, 29 April 1809, F.O. 72/90. Apart from such attempts to force a trade a lucrative contraband was said to be carried on by English whalers under cover of the Nootka Sound Convention of 1790. Cf. Humboldt, *Essai politique*, ii. 472. Viceroy Abascal complained that the growth of this contraband had ruined the native manufactures of Peru. 'Relación del excmo Señor Virrey del Peru, D. José Abascal y Sousa' . . . 1816, in Odriozola, *op. cit.*, ii. 23. See also D. B. Goebel, 'British trade to the Spanish colonies, 1796-1823', *A.H.R.*, xliii (1938), pp. 316-17. After the opening of the ports of Chile (*supra*, p. 91, n. 4) and in the face of an increasingly difficult military situation and mounting expenses, affairs in the viceroyalty of Peru reached a crisis. Viceroy Pezuela, graphically describes the situation of the country on the eve of independence, the revenues daily diminishing, and the commerce both with the mother country and with the interior of South America cut off. *Manifiesto en que el virrey del Perú Don Joaquín de la Pezuela refiere el hecho y circunstancias de su separación del mando* . . . (Madrid, 1821), pp. 75-83, apps. 26, 30-40. Despite his measures to prevent contraband, necessity obliged him to permit some intercourse with foreigners. 'Yo me veía frecuentemente apurado,' he wrote, 'por los clamores de la clase en propietarios que me pedían una admisión moderada de nuestros puertos de buques neutrales . . . han sido muchas las veces en que porciones numerosas de los mismos comerciantes, tan celosos de su exclusivo tráfico, han reclamado las providencias de mi autoridad para que les permitiese introducir y extraer sus pertenencias en bageles extranjeros.' (*Ibid.*, pp. 79-80.) Between 1818 and 1820 special concessions had to be made both to natives and foreigners. In July 1818 it was actually proposed

scale was consequently abandoned; and latterly the patriots were assisted with goods and money, on condition of exorbitant profits being secured to the merchant if success attended their efforts, whereby the independent governments have become his debtor to a large amount. Various endeavours were made to restrict the privileges<sup>1</sup> and advantages of the British trader; he was required to pay heavy contributions<sup>2</sup> which were successfully resisted on

to open the ports of Peru to foreign trade, but the merchants of Lima subscribed a considerable sum to prevent this. (*Ibid.*, p. 81, and app. 33.) The amount is stated to have been \$740,000. (Staples to Hamilton, 12 Oct. 1818, F.O. 72/215.) Such were the necessities of revenue that in the following year the Viceroy gave licenses to Spanish merchants, in particular to the house of Abadia and Arismendi, agents for the Philippine Company, to import goods in British vessels. Miers describes eight such licensed vessels sailing to Peru. *Travels in Chile and La Plata*, ii. 51-9. See also U.S. Cong. Senate Exec. Docs. 35 Cong. 1 Sess. xiii, no. 58, pp. 158, 335-6; Goebel, *op. cit.*, pp. 318-19. In 1819 it was reported that the port of Callao had been opened to British trade, subject to the approval of Spain. (P. C. Tupper to Castlereagh, 30 Nov. 1819, F.O. 72/227.) Mrs. Goebel, *op. cit.*, p. 319, cites evidence to show that in 1820 Callao was opened to all neutral vessels, except such as carried the produce or manufactures of Chile. It should, however, be noticed that Viceroy Pezuela explicitly denies that the port was opened in 1820, though he admits that the measure of opening the ports was considered and that he was pressed to accede to it. *Manifiesto*, pp. 81-2, app. 26. In view of the circumstances under which the *Manifiesto* was written, this denial is perhaps not altogether convincing. In any event, whether there was any formal opening or not, foreign vessels did enter the ports of Peru.

<sup>1</sup> By the *Reglamento* of 28 Sept. 1821, the ports of Callao and Huanchaco were opened by the patriot government to trade with friendly nations. Goods in foreign bottoms were to pay 20 p.c.; those of Chile, Buenos Aires and Colombia, 18 p.c.; and those under the flag of Peru, 16 p.c. An export duty of 5 p.c. was placed on coined silver, and of 2½ p.c. on coined gold. This decree was published in the *Gazeta del Gobierno de Lima*, 6 Oct. 1821. Barros Arana, *Historia general*, xiii. 501; Vargas, *op. cit.*, i. 204; Stevenson, *Historical and descriptive narrative*, iii. 423-4. A further *reglamento* of 31 Oct., for the coasting trade, permitted foreigners to dispose of their cargoes without the interposition of a native consignee, on payment of 25 p.c. instead of 20 p.c. import duty (Stevenson, *op. cit.*, iii. 429), and on 28 March 1825 the third article of the *Reglamento* of Oct. 1821 was repealed, and foreigners thereby allowed to trade without the necessity of having Peruvian consignees. *Gazeta del Gobierno*, 31 March 1825.

<sup>2</sup> In Sept. 1822 the independent Government imposed a forced loan of \$400,000 on the city of Lima. The English merchants were required to pay \$230,000. Through the interference of Capt. Prescott of H.M.S. *Aurora*, this sum was reduced to \$73,000. Anthony Gibbs *et al.* to Canning, 9 Aug. 1823, F.O. 61/1; Miller, *Memoirs of General Miller*, ii. 3-4; M. F. Paz Soldán, *Historia del Perú independiente, 1822-1827* (2 vols., Biblioteca Ayacucho, Madrid, 1919), i. 34-9.

appeal to the naval commander <sup>1</sup> on the station ; he was threatened with the deprivation of his right of acting as a consignee ; and other arbitrary acts have been attempted ; but although they have not been enforced he is left with numerous grievances which I shall hereafter notice.<sup>2</sup>

During the revolutionary struggle two causes were operating to create the continued heavy consignments of goods from England. 1<sup>st</sup>. The exporters were not regular mercantile houses who had corresponding branches in these countries, but were the manufacturers, who from dull sales in England had quantities of merchandize on hand which it was important to them to get rid of at any price, and they took their chance therefore of the South American market. 2<sup>ndly</sup>. The returns which were at first remitted greatly exceeded their expectations ; hopes were held out to them of continued profits ; and though aware of a large proportion of their goods being locked up in the Custom Houses here and elsewhere, they reckoned on increased sales when the interior of the country was tranquilized by the expulsion of the Spanish forces. They did not reckon, however, on the evils which necessarily followed that event, arising out of the exhaustion of the riches of the country, of the unproductiveness of the mines, and of the poverty of the people occasioning a diminution of purchasers, and inability in those who had made purchases to pay for them. The want of exports also caused the price of freight to rise, since the owners of vessels soon found that they returned in ballast. The powerful and convulsive reaction which has unhappily occurred in England from the extravagant spirit of speculation, will necessarily shackle still more the trade to these countries <sup>3</sup> ; the exporter will no longer obtain advances in anticipation of the payment for his goods ; distrust will prevail over confidence, and the disorder in mercantile business will be aggravated in Peru by the local causes to which I have adverted. The manufacturer will, under these combined

<sup>1</sup> In the absence of accredited ministers and consuls the British naval commanders were called upon to protect British rights and property ; and they acted both as consuls and, on occasion, as plenipotentiaries. See Basil Hall's description in his *Extracts from a journal, written on the coasts of Chili, Peru, and Mexico*, i. 41-4. Cf. also, Miers, *op. cit.*, ii. 60-1.

<sup>2</sup> Ricketts to Canning, 10 June 1827 (no. 17), F.O. 61/11, on the claims of British subjects against the Spanish and independent governments of Peru.

<sup>3</sup> The reference is to the commercial crisis which set in in England towards the end of 1825. The failure of the mining speculations in South America was one of its notable features. See *infra*, p. 154, n. 1.

disadvantages, be paralyzed in his schemes both at home and abroad ; he will cease to be an exporter ; and as a retailer on several articles improvidently sent, the same disappointments await him in Lima as happened to the merchants in 1786 ; and although he will not resort to the same measure of burning a proportion of his goods for the purpose of keeping up prices, perhaps the alternative would not be impolitic in some cases, considering that the charges, including the existing duties, will, with the most *judicious* management, average from 35 to 40 per cent., which, with the low rates obtainable for many of the goods, will leave a decided loss to the exporters.

The British agent in Lima is likewise placed in a most embarrassing position. His receipts for commission are daily, of course, diminishing from the stagnation of trade, whilst his expenses are continuing, which in Lima are enormous, as shewn in my report No. 14<sup>1</sup> ; and as they are not susceptible of reduction as in Europe, he is perceiving that his establishment and ordinary disbursements equal his income ; so that he is exposed to a comfortless and harassing life without adequate remuneration. He is now crippled in his credit on England, and the exporters are pressing him for their dues, since under his guarantee to them he is answerable for the proceeds.

The outstanding debts to our merchants are scattered among a variety of individuals, but amount in the aggregate to a considerable sum ; not less I calculate than two millions of dollars, in one instance as high as 500,000 and in several amounting to 200,000, and the recovery is most tedious and a great part, I fear, doubtful. The petty dealer receives an advance of goods, the price charged to him is proportioned to the risk, he pays a little and receives more goods, and a constant running account with him is kept open. He sometimes gambles away the whole of the value of the goods, which is by no means a rare occurrence, since of all vices in Peru gambling is perhaps the most prevalent. He often sells his first purchase at a loss, and with the proceeds buys goods of another merchant which promise more benefit to him, and when pressed for payment he often resorts to the expedient of borrowing from Peter to pay Paul, or declares his inability without apprehension, as no law exists to compel the debtor to pay his debts, or to give security for their liquidation. The obvious precaution of not giving a second credit where punctuality has not been observed in the first payment, naturally occurs to the British merchant, but

<sup>1</sup> Ricketts to Canning, 22 July 1826 (no. 14), F.O. 61/8.



where insincerity and the want of good faith are alike among all the dealers, prudence is defeated, and he must run the risk, or wait the very uncertain period of getting ready cash for his merchandize. This he might do as a fixed merchant with a capital, but as an agent he cannot, since he is pressed by his constituents, his expenses must be paid, and the accumulation of goods has become enormous. The ultimate winding up of the accounts, therefore, between the consigner and consignee, will, I fear, terminate in the absorption of their former profits.

Exclusively of the above mentioned losses to which the British merchant, whether here or at home, is subjected, I have unfortunately to add more as affecting either the one party or the other. I have adverted to the debts of the government on account of forced loans exacted by the revolutionary leaders, and to others which were contracted for goods delivered; acknowledgments bearing interest have been granted for some, part has been proposed to be wiped off by setting the duties leviable on imports against the debt, and part has been resisted; but this government is constantly evading the arrangements for payment, as its necessities press, and its poverty will procrastinate the day of adjustment. Ships and valuable cargoes have been seized on frivolous pretexts, law suits were long pending for recovery, and judgment directed by the government has of course been pronounced in its favor. Goods deposited in the government stores at Callao, have been plundered, or taken on credit for the use of the troops, both by the Spanish and the Patriot commandants. Against such debts, claims of various kinds are brought forward as a set off, and numerous impediments arise to fixing the accounts as they should justly stand between the respective parties. At the close of this report I shall enumerate the sums due to British subjects both here and at Arica, etc., from this government and from individuals. On some of the government debts my interposition has been already sought, and I have commenced on means for effecting the necessary adjustments; but difficulties and counteractions oppose me, and I shall ultimately, I fear, have to trouble you with a long report, describing the different claims, and requesting your decision on those which should be demanded respectively from the Spanish and the Peruvian governments.<sup>1</sup> Although a just decree will thus

<sup>1</sup> *Supra*, p. 129, n. 2. The claims made by British subjects embraced a variety of heads—forced loans, seizures of goods in the customs house, non-payment of bills, default on the interest of the loans, seizures of ships, and

be obtained for the British merchant, his redress will be at all events tardy, if not in several instances hopeless, since evasions stimulated by their distresses will, it is to be feared, continue to be practised. It is true that this government has established a fund called 'Caja de Amortizacion', which is a species of redemption fund; but though the principle is just, inasmuch as the object is to provide means for the liquidation of the public loans, and of debts contracted with individuals, yet considering the poverty of the people and the unpopularity of the government, prudence should have directed the expediency of waiting for the assembling of the Congress, in order to lay before that body an honest representation of the deplorable state of the finances of the country, and to leave it to devise means for supplying the necessary resources. The plan of the amortization would perhaps have been resorted to, and the authority of the Congress might have consolidated it. I now, however, fear for its success, not only from its having been prematurely brought forward, but also as there will be great difficulty in realizing many of the funds on which the government relies for its formation, such as Church lands, the monopoly of tobacco, and under existing circumstances, the sale of the quicksilver and other mines.<sup>1</sup>

The number of ships from France which have arrived at this port between the month of January 1825, and the end of October 1826, amounts to 16; and the sales of the imports have netted in Lima during those 22 months about one million dollars; but it is to be remarked that the major part of the vessels arrived within the last twelve months. I inclose a list, No. 4,<sup>2</sup> of the several articles imported, in which I have noted the prices which most of them bear in the market. Many on which great profits were expected have proved losing concerns, for instance, brandy and wine. The Pisco brandy is preferred, and is cheaper; and the natives

depreciated currency, to name but the most prominent. The total amounted to some \$17,000,000. Ricketts regarded these claims unsympathetically. The merchants, he wrote, had only themselves to blame. They had adventured in a lottery and made great profits. They had made the most of the difficulties of the patriots, and they did not hesitate to magnify their grievances. On the currency question *cf.* Proctor, *Narrative of a journey across the Cordillera of the Andes*, pp. 289-90.

<sup>1</sup> The monopoly of gunpowder and tobacco was established on 11 Sept. 1826, and the *Caja de Amortización* on 22 Sept. *Registro Oficial de la República Peruana*, 4 Oct. 1826. The purpose of the *caja* was to classify and liquidate the debts of the republic, to pay the interest and extinguish the capital, and to administer the funds destined for these objects.

<sup>2</sup> Not printed.

have as yet acquired a taste for the sweet wines only, and champagne ; moreover their clarets and other light wines being generally brought in barrel to save freight, are quickly affected by the heat of the climate, and turn sour. The linens generally, such as britannias, estopillias, etc., have scarcely yielded prime cost, owing to the cheaper manufactures of Silesia, and to a preference being given to the British cottons. Broad cloths are selling at prices below what our merchants can afford to deliver them, but this proceeds from the supercargoes making sacrifices on those articles with which the market is overstocked, in order to wind up their concerns. Hardware, tin ware, cutlery, swords, pistols, etc., cannot compete with the British manufactures. Gauzes, gold and silver tissues, gold cloths and ornaments for churches, clocks, watches, and musical instruments, are in no demand ; whilst their silk stockings sell very low, as the strong English ribbed are far more prized by both the men and women of Peru ; and the market is glutted with their ribands. Hence the goods remaining on which large profits have been gained are silks, satins, velvets, shawls, female dresses, bonnets, shoes, etc., artificial flowers, feathers, glassware of all sorts, inferior qualities of chinaware, pictures, paperhangings, paper, saddlery, perfumery, and false jewelry. Furniture has also sold well, but the existing high duties on it will prevent further importations. The goods which have chiefly interfered with those of Great Britain are silks, satins, and shawls of different sorts. The prices which the first shipments brought were so high that the supply has recently been very abundant, and these articles are certainly more in unison with the taste of the Peruvians than those of British manufacture ; and if the French can continue this branch of their trade upon the terms they have carried it on for the last twelve months, they will not risk competition from Great Britain, though they may be subjected to it from China. In this respect the active North American has been before us ; early foreseeing the profits resulting on silk and satin goods, he sent samples to China where the imitations are excellent, of superior substance, and cheaper ; the French manufacture has, however, a better lustre, and there is as yet a prejudice in its favor.

The commerce of France to Peru <sup>1</sup> is at present conducted under

<sup>1</sup> Cf. *Etat relevé sur les documens officiels, présentant le mouvement, par puissances, de la navigation et du commerce maritime de la France avec l'étranger*, 1825, 1826, *B F S.P.*, xv. 1262.

several disadvantages; the freight is very high, being for light and heavy goods 45 dollars the ton; a commission of 5 per cent. is allowed to the supercargo and captain, and the same rate to the agent here; and other charges correspond with those of the British merchants; the crew consists of double the number of men which we engage in ships of the same burthen, but the wages are less than ours, being in the proportion of 9 to 12. The average value of each cargo amounts to 170,000 dollars, which exceeds what it should be for insuring quick returns; the merchants are deficient in information, skill, and perseverance; the goods are ill-assorted, and often composed of trash from various manufacturers and shopkeepers; the supercargoes, astonished at the high prices offered on some articles, hold them back under the expectation of receiving the same on the whole invoice, and lose the benefit which was obtainable. They have yet to compete with the steady English merchant, and with the industrious and economical North American; they are easily alarmed at the expenses to which they are here subjected, forming so wide a contrast with those in their own country; have no command of capital; and are on the eve of being exposed, from the glut of French supplies, to the difficulties and delays which commonly oppose the realization of the proceeds. The goods in store may be reckoned at 500,000 dollars; those remaining with the shopkeepers as much more, and the outstanding debts 200,000 dollars; which united forms rather a large sum considering the poverty of Peru and the short period the French have been in the market. A benefit has heretofore been derived in their commerce from the prohibition of the products of Spain,<sup>1</sup> as they closely imitate its manufactures to which the natives were accustomed, particularly silks, velvets, and paper. Another decided benefit will continue from their *fancy* articles, in which no nation can compete with them; and so great has been the avidity of the Peruvian females to acquire their trifles, that their merchants have latterly usurped the money which should have been paid to the English creditor.

A merchant made an advantageous speculation by bringing a set of very rich cavalry clothing and equipments for 400 men; the cost was, I learn, 200,000 dollars, and General Bolivar purchased it for the corps of Lancers in Bolivia. Taking a prospective view of the trade, I am of opinion that France may expect to receive

<sup>1</sup> The importation of Spanish products was forbidden by decrees of 17 April and 9 May 1825. Passmore to Canning, 29 Sept. 1825 (no. 3), F.O. 61/5.

from Peru during the next two or three years the annual sum of 800,000 dollars, on the consideration that the produce of the mines is improving, that the duties will be lowered, and that during this interval the commerce of Great Britain, both in respect to its products and to those from China and India, will not be placed on the beneficial footing of which it is susceptible. The French returns from the other ports along the Pacific I shall notice in the progress of this report; and the observations which I have offered in regard to their trade, will generally apply to each respectively.

The commerce of the Netherlands to South America is conducted by the Netherland Trade Society which was sanctioned by a royal decree of the 18th of August 1824.<sup>1</sup> The object of the society is the promotion of national industry, navigation, etc., by extending, with a due consideration of its own interest, such commercial enterprises as are calculated to augment the sale of the products of the country. Its particular attention is called to the restoration of the mercantile relations between the Netherlands and the East Indies and China, in pursuance of which consuls have been sent to Chile and to Peru, who are accredited by their government, and who act as agents for the society; and their business is to superintend the sales of the consignments sent to them, to obtain dollars in return, and to remit them to China. On this plan the treble profit is expected of a moderate benefit from the proceeds of the goods, of securing dollars 10 per cent. cheaper than they could be purchased in Europe, and of obtaining East India and China products at prime cost. The amount of the merchandize proposed to be sent out annually to these countries is a million of dollars, and to be consigned in 5 or 6 ships, the number required to bring the returns of tea, etc. The first start has been made by the consul for Peru<sup>2</sup>; the proceeds of the cargo brought by him were to be taken up by the following ship, which had to leave a supply of goods at Chile, and the remainder in Peru, for sale by the consuls respectively, the amount of which was to be received by the third ship; and so on in succession. There is a stand, however, on the first adventure; the invoice cost of the cargo was no more than 150,000

<sup>1</sup> On 29 March 1824 a royal decree authorised the establishment of the *Nederlandsche Handel-Maatschappij*, and on 18 Aug. the king approved the articles of agreement of the company. W. K. F. Mansvelt, *Geschiedenis van de Nederlandsche Handel-Maatschappij* (2 vols., Haarlem, [1924-26]), i. 66-83.

<sup>2</sup> A. Serruys.

dollars ; the articles brought I shall proceed to enumerate, and to explain the outturn of them.

*Linens.* The Dutch manufactures brought are bramantes, fine and *crudos* and *listados*, which though answering well at the Havanna are here unsaleable. The German or Silesian linens, viz: platillas, britannias, and creas, generally yield a good profit, but as the market is now overstocked, these articles and the Dutch linens which formed nearly one half of the cargo remain on hand. *Prints, German.* Those of bright colors are superior to the English, and have sold to a profit.

*Broad cloths.* The few brought are unsold owing to the large supply in the market.

*Lace.* The Mechlin and other foreign laces have been superseded by the cheap manufacture of tulle in England

*Cutlery* from Nemeur } sold well.  
*Rope*

*Cheese* and *butter* have not yielded prime cost, as the latter is imported much cheaper from the United States though the quality is not so good as the Dutch. *Gin.* The demand for it is trifling, and is confined to the shipping.

*Candles ; lard ; hams ; beer ; sugar, refined ; clothes, ready made ; hats ; boots and shoes ; furniture ; etc.,* have sold to a profit, but the importation of these articles will cease if the existing prohibitory duties continue.

These are the unfavourable results after the consul's residence here for seven months, and they will be aggravated by future consignments, by importations of German linens direct, and by others, well selected, from the United States ; and by similar goods being manufactured in, and brought from France and England. A ship from Antwerp came to Arequipa with a cargo valuing 150,000 dollars, nearly twelve months ago, and has not yet wound up her concerns, as the supercargo sold the goods on credit at a high valuation, and as subsequent importations have so reduced the retail price that the purchaser is unable to fulfil his engagements. The Netherland Society will thus find that a commerce restricted to its own products and those of Germany will not answer to any extent to these countries, and that numerous obstacles will oppose its importing successfully a proportion of goods from England and France. Both these nations are now competitors in the market ; the society is exposed, like all companies, to heavy expenses and bad management ; the principle of self-interest is nowhere operative in such concerns, but carelessness pervades, and want of activity and intelligence. Manufacturers in the different countries will take advantage accordingly ; cargoes will be sent without judgment ; and the agents in these countries will not speedily acquire the information and ingenuity necessary to keep the natives

to the performance of their promises. In the present instance the consul has handed over for sale a part of the goods to English and a part to North American agents; opposition will be the consequence; and if the further proposed consignments arrive, he will, from the glut in the market, be thrown altogether out of his calculations. Moreover the expenses of a residence in Peru are wholly disproportioned to his receipts; he necessarily applies to his government for an increase of his consular salary, and to the society for a higher rate of commission, whilst the expected benefits resulting from his appointment have not been realized.<sup>1</sup>

A failure corresponding with the preceding has resulted on an investment amounting to 200,000 dollars, which has been recently imported from Bremen; and from the market being overstocked, it is probable that the cargo will be sent along the coast to San Blas to take the chance of a sale.

Under the foregoing circumstances I do not calculate on the sale of goods from the Netherlands, Bremen, etc., being effected for some time to an extent beyond 400,000 dollars per annum, as estimated; but the trade will gradually improve in the following articles, if the supplies be sent in moderate quantities, viz: estopillas, platillas, britannias, bramantes, creas, rouanes, cotines or bed ticken, glassware, and cotton hosiery, which is competing with the English.

The activity and industry of the North Americans are well known, and since the revolution in these countries they have kept up a brisk trade along the western shores of the Pacific. During the course of last year (1825) the amount of their home products imported into Chile and Peru may be computed as follows:—

		Dollars.
Flour	104,311 barrels, average value \$8 per bl.	834,488
Cottons	bleached and unbleached, called domestics, and in imitation of the Peruvian tocuyos, 1,710,047 yards at $\frac{1}{2}$ of a real	293,914
Butter and lard	3,600 quintals at 22 dollars	79,200
Soap	2,500 do. 12 do.	30,000
Beef, pork, and biscuit		60,000
Naval stores and cordage		20,000

<sup>1</sup> According to Blok, English competition in the Levant and in South America proved so heavy that the Company was forced to wind up its activities in these regions, and to limit its operations to the East Indies. P. J. Blok, *Geschiedenis van het Nederlandsche volk* (4 vols., 3rd edn, Leiden [1926]), iv. 256.

Hats, boots, shoes, and saddlery	Dollars.
Furniture and chairs	15,000
Sperm and tallow candles	45,000
Notions, or sundries	30,000
	50,000

Dollars 1,457,602 <sup>1</sup>

The extent of these consignments estimated to be sold in Peru may be reckoned on the sale prices at 900,000 dollars, owing to the large quantity of flour imported, though it will not be so great probably as it has heretofore been. To account for this large consumption of North American flour in Peru and to shew the probability of its continuance some details are necessary.<sup>2</sup>

Although wheat has been, and still is produced of good quality in several parts of Peru, the quantity is wholly inadequate to the demand, and is not likely to be increased owing to the want of cultivators. Formerly the requisite supplies were obtained from Chile, but during the troubles of that country in 1823 and 4 the wheat produced scarcely equalled its consumption; and as the crops sometimes fail from blight, the North American found that he could introduce his flour to advantage into Peru. His machinery for drying flour, and his ability from the cheapness of wood to pack it in oak barrels, are a security against injury notwithstanding the distance of the voyage; and the rate for which he has sold it at different times has been enormous; the retailed price was even as high in 1823 as fifty dollars the barrel of 196 pounds; and he can successfully compete with the Chilean merchant as will appear by the following calculation. The cost of a fanega, or 135 pounds, of Chile wheat at the port of embarkation, when the crops are favorable, is 12 reals, the export duty 1 real, and freight and charges 1 dollar; or \$2.5 on arrival in Callao; the duty on it is 3 dollars, and 3 reals for converting it into flour. Nearly half is lost in bran, etc., which sells for 1 dollar 2 reals, and deducting this the cost of the outturn of 67 to 70 pounds of flour is 4 dollars 6 reals. The cost of a barrel of flour from the United States weighing 196 pounds is, on arrival at Callao, about 8 dollars, and the duty is

<sup>1</sup> Cf. the statistics of United States trade with Latin America in Robertson, *Hispanic-American relations with the United States*, p. 197. The total figure of the domestic and foreign exports of the United States to Chile and Peru in 1825 is there given as \$1,567,476.

<sup>2</sup> Cf. *supra*, pp. 37, 83, 97, and see the table of the exports of flour in T. Pitkin, *A statistical view of the commerce of the United States* . . . (New Haven, 1835), p. 121.



7½ dollars, or total 15 dollars 4 reals. So that the North American can import the article generally almost as cheap as the cost of Chile flour. The impolicy of this government charging so heavy a duty, which mainly tends to raise thus high the price of this article of necessity, will be noticed under the head of *duties*; but supposing a ratable reduction to take place on the Chile wheat, and on the North American flour, it is evident that the latter can be imported at a profit; and a greater advantage is not likely to be given to Chile, considering the mutual jealousy of the two States, and the desire of Peru, therefore, as also from the uncertainty of the crops, not to be wholly dependent for this article on Chile. It will be at all events, however, to the interest of Peru to give that just encouragement to both parties, which will promote competition, and hence guard against either the one or the other keeping up monopolizing prices.

I have spoken of the domestics or tocuyo cloths under the head of manufactures. It is an article in demand throughout the interior of the country, and materially affects the sale of our inferior white cotton cloths, and was first introduced into Buenos Aires in 1822. The markets along the Pacific were afterwards sought; large purchases were made in Chile; and in Peru, though the tocuyos are reduced in quality, they are cheaper and superior to corresponding white fabrics, and consequently meet a ready sale. The other articles enumerated of the produce of the United States in no respect interfere with the British trade, but are of great importance to the North American merchant; indeed the consul<sup>1</sup> has represented that if the prohibitory duty recently imposed on them, and on the tocuyos, be not taken off, the trade will be reduced to insignificance. His application should and will, I believe, be successful, but I shall have again to advert to this subject under the head of duties.<sup>2</sup>

Exclusively of these home products goods from most countries have been heretofore imported, although the prudence of the North Americans directs them not to risk expensive adventures; their active agents are everywhere to make arrangements with manufacturers; goods are brought from all parts of the globe to

<sup>1</sup> William Tudor was appointed United States Consul at Lima on 9 Dec. 1823 and received his exequatur on 24 Dec. 1824. W. S. Robertson, 'Documents concerning the consular service of the United States in Latin America', *Mississippi Valley Historical Review*, II (1916), p. 565.

<sup>2</sup> *Infra*, p. 147.

the United States ; and thence they are parcelled off with judgment to the ships, in small quantities according to the voyage. They run along the coast of the Pacific as far as Guayaquil, delivering goods at the respective ports, and then generally proceed to the East Indies or China, for the purpose of obtaining merchandize on the return voyage ; and the insurance of this circuitous voyage is effected at about  $3\frac{1}{2}$  per cent. They convey orders for the goods required, and having no expensive establishments the benefits of ours are derived without the charge. On the direct voyage to the more distant ports on the Pacific the ships proceed to the Sandwich Isles for sandal wood, to San Blas for money, and to California and the Russian coast to pick up hides, otter and seal skins, etc., and go thence to China.<sup>1</sup> The tonnage of the vessels does not commonly exceed 275 tons, they are better built and better found than ours, and from the sharpness of their construction, though not carrying so large a cargo, two great objects are gained, celerity and security against damage to goods. The value of the cargo does not average more than 50,000 dollars. If a supercargo be entrusted with it, or the captain, he pays to the agent here about 5 per cent. commission, 1 per cent. for warehouse, 1 per cent. for any advance required, and a moderate rate of interest to enable the concern to be wound up. The agent has had no great difficulty in effecting sales, as the investment is small and the goods well chosen, and as his system has been never to allow a second credit to a person failing to pay for his first purchase. The consequence is that the debts due to him amount to a mere trifle, and that up to this date the commerce with Peru would have closed in favor of the United States, had it not been for two or three unjust seizures of property during the revolutionary times, amounting to about a million of dollars, which constitute a claim against Peru.<sup>2</sup> Setting, however, this sum against the profits the account will be nearly squared.

With respect to the merchandize brought by the Americans from Europe, China, and India, the future amount of sales in Peru may be estimated at 350,000 dollars ; so that adding this to their home products, the total sales will be about 1,250,000 dollars. The average amount has been greater, but I estimate a diminution

<sup>1</sup> Cf. *supra*, p. 38 ; and Latourette, *History of early relations between the United States and China*, pp. 52-9, 63-81.

<sup>2</sup> See L. C. Nolan, 'The relations of the United States and Peru with respect to claims', *H.A.H.R.*, xvii (1937), pp. 34-6. For the comparative tonnage of British and American shipping in 1825-6 see *supra*, p. 125, n. 1.

of returns for the causes already explained. Hence to this extent at the least is the United States a competitor in Peru, and a successful one, with England, France, and Germany. Supposing the contraband system to continue, her imports of their manufactures will augment as her advantage over them is decided ; for although the existing tariff seriously affects many of her home products, the general duty of 30 per cent. operates alike on all ; whilst the North American, from his superior intelligence and small well assorted consignments, has greater facilities in passing, landing, and selling English, French and other goods ; and though lard and furniture will cease to be imported, tocuyos bearing the Peruvian mark of manufacture will be introduced without much risk of detection. If the commerce, on the other hand, be placed on a fair and just footing his flour and tocuyos will secure a very profitable concern on the reduction of duties ; he will not risk the importation of British goods, but his competition will chiefly be felt by Holland and France ; the mismanaged investments of the former will glut the market at each importation ; and the latter will be impeded at every step, since her agents are comparatively bad merchants, her staple silk goods will speedily be imitated in China, and a cheaper and better article will be brought to the market by the North American ; indeed a recent arrival from China has proved the fact, and has partly accomplished what I had suggested to the British merchant. Great Britain will, however, stand firm if she creates new capitals. Fair trade will promote the establishment in these countries of men of prudence and substance ; and the command of capital will be the means of enabling British subjects to obtain an interest in the mines which are now producing, and to set at work others which are dormant.<sup>1</sup> The proceeds will thus be secured to them, and the returns will be chiefly British manufactures, not only on account of their own interest, but from the preference which will be given to them by the natives. The British merchant will be able to afford the retention of his large consignments until favorable opportunities offer for their sale ; he will be always ready with goods which may be required ; his profit will be realised by low prices on large dealings ; he will be on the alert to prevent contraband ; and his perseverance, steadiness, and extensive concerns, will counteract the North American in his minor operations, and his attempts at

<sup>1</sup> On British interest in the mines of Peru see Ricketts to Canning, 16 Sept. 1826 (no. 19), F.O. 61/8.

competition in British manufactures and in well regulated supplies from China and the East Indies.

I have now to discuss the impolicy of the commercial regulations of Peru ; my remarks will be found generally applicable to the regulations of Chile, as the principle on which both are founded is nearly similar ; and I hope to be excused for entering into a detail of the subject since if my conclusions be wrong in your opinion, there will be time for me to receive your corrections, and as the different points will have to be considered when the question of a commercial treaty is agitated. Although some reforms have taken place in the commercial laws of this country by a new code which was published in June, the system is still very defective. I enclose a translated copy of it, No. 5<sup>1</sup> and the notice of those articles which are strikingly injudicious will point to the amendments to which attention should be directed for the encouragement and security of the fair trader.

The preamble breathes a spirit of liberality, but it is to be regretted that the enactments do not support the hope which is raised. It states that the Council of Government considering that commerce, as one of the primary fountains of the prosperity and wealth of States, should be animated by protecting and favoring laws, so that the freedom which is granted to it, or the restrictions to which it is subjected, may be the most efficacious means of promoting the national industry in all its branches, and of improving at the same time the receipts of the public treasury, has resolved to issue regulations on the most liberal basis which circumstances have permitted. Similar liberal declarations have frequently been announced, but they are as constantly opposed by the continuance of old prejudices and laws, and only partial relief is therefore afforded by the establishment of new regulations.

By articles 34 and 36<sup>2</sup> an embarrassing and useless multiplication of manifests is required, and too limited a period is allowed for their production, as few masters are to be trusted in making correct copies. Besides these manifests a merchant on importing goods from Chile or from a port within this territory, is required to produce a sealed *registro* from the custom master at the port of clearance without being signed by the captain. This plan was arranged between the Governments of Chile and Peru for the purpose

<sup>1</sup> Commercial Code of Peru, 6 June 1826. *Infra*, pp. 198 ff. Printed in the *Registro Oficial de la República Peruana*, 9 June 1826.

<sup>2</sup> I e., 3, 4, and 6

of checking the numerous frauds practised at their respective ports in regard to imports and exports ; for instance, at Chile to avoid the heavy duty on sugar, a cargo is landed for reshipment, the necessary forms are gone through, and only a part or none of it is shipped. The Custom House officer to cover himself on the obligation now imposed upon him, enters goods in the registro which he knows not to have been shipped ; or from the mistakes of his office the actual entry is not correctly made. The merchants here were hence involved at first in many difficulties and perplexities, since when the goods did not appear delays from references etc. were unavoidable ; when an excess was found it was confiscated, and when a deficiency the duties were exacted on it, although no fraud was intended, and where neither the captain nor the consignee had the least control over the Custom House entry. Under the present system of heavy duties and corruptness of the Custom House officers every trick and evasion takes place, and both the manifests and registros have become nearly a dead letter ; the former are prepared to meet the object, and the latter is often slipped out of the cover for alteration. The facile mode of counter-acting the irregularities would be, as there are consuls now in Chile and Peru from the respective nations, to establish the usual port regulations, obliging the master of a vessel on his arrival to deliver to the consul the certificate of registry, manifest, bills of lading and cockets, and the merchant to produce to that authority his invoices, and directing no clearance of cargo to be allowed until the invoices and manifest had been compared, and sworn to by the respective parties, and sent to the Custom House. If then the duties were levied by a moderate percentage on the invoice cost of the goods, the fair trader would be satisfied, and this government secured in its just dues ; indeed for its greater confidence, the collector of customs at the port of clearance outwards might certify that the prices of the articles entered in the invoice are correct ; or, if this be inconvenient, a check might be established against the goods being valued at too low a rate in the invoices, by this government holding the power of retaining any of them at the prices stated. I despair, however, as before mentioned, of seeing these regularities introduced until the time arrives for settling a commercial treaty with this State. In the interim I could wish to have obtained from the masters a general manifest and value of their cargoes, in order to fulfil the instructions on that head which you transmitted to me, but the masters have declined compliance,

lest the production of their papers should involve them in embarrassment, and because they can leave the port without a clearance from me ; and as no bill of health is required in England from these countries, no penalty attaches to them for their refusal.

I have adverted to the system of contraband which was practised during the revolutionary times ; and latterly to the inducement to continue it in consequence of high duties and the corruptness of the Custom House officers. Another cause has been the fluctuation in the different rates of the duties, which varied according to the exigencies of the government, and to the influence of the creoles over it. I name the creole because he should recollect that though he occupies the place of the Spaniard, his numbers are few compared with the aborigines, and that as they are the parties therefore whose interests should be immediately consulted, it is politic in him not to struggle for particular privileges and immunities. In 1822 the duties on manufactured goods of cotton, wool, silk, hardware, etc., were 20 per cent. on creole despatches, and 25 per cent. on foreign, the instalments being payable in 3, 4 and 5 months. In 1824 the periods of payment were shortened to 1, 2, and 3 months. At the commencement of 1825 the duties were raised to 30 per cent. for creoles and 35 for foreigners<sup>1</sup> ; and by the present commercial code they are equalized to 30 per cent. On certain articles such as sugar, tocuyos, etc., a higher rate was exacted ; by the existing code it amounts to 80 per cent. ; and by a recent regulation an addition of 10 per cent. is imposed.<sup>2</sup> This government has managed also to derive from the foreign merchant a benefit at each change, by requiring when the duty is raised, payment accordingly on his goods in store, upon the plea that it was his own fault they were not cleared earlier ; and again, as now, when the rate is lowered, payment is exacted of the higher duty on the ground that the goods were subjected to it from having arrived at the former period.

In all new governments the means of raising a revenue by levying high duties is generally resorted to ; but in no country perhaps have the effects of the imposition of them been more distinctly

<sup>1</sup> *Supra*, p. 128, n. 1. Cf. Passmore to Canning, Arequipa, 29 Sept. 1825 (no. 3), F.O. 61/5. 'The rate of duty payable on goods imported at present is 35 per cent., (decree of the Liberator of the 17th of August), upon liquors 80, wines 48, and all description of furniture, wearing apparel, 35 per cent.' There was much confusion in Peru in those areas which the fortunes of war placed now under royalist now under patriot regulation.

<sup>2</sup> 22 Sept. 1826, *Registro Oficial de la República Peruana*, 4 Oct. 1826.

marked than in this. It has acted merely as a stimulus to the smuggler ; it has weakened the resources and destroyed the energy of the government by making its laws contemptible because they are inefficient ; it is a main cause of the demoralization of the people, by promoting habits of evasion, bribery, and perjury, through every branch of the administration ; and it has crushed the many benefits which would have been derived from the fair trader, as he is driven away by inability to compete with the successful smuggler in the details of his commerce. Along the coast of Peru the consequence is that the Custom House returns do not probably yield above one fourth of the amount which should be realized, and in Callao not more than one half.<sup>1</sup> Even on the bulky article of flour the government advertized to farm the duties to the highest bidder beyond a specific sum, which merchants knew to be one half of the duties which should have been received on it.

I have shewn that in Peru there is an especial call for the encouragement of commercial intercourse with foreigners ; it has no manufactures of the slightest consequence ; it is not likely to have any conducted by natives for many years from not possessing any one of the essentials for their establishment, nor is it desirable to promote them. The introduction, therefore, of every description of foreign manufacture is particularly important ; the inhabitants in general are too poor to purchase commodities at high prices ; fair trade will be the sure means of their obtaining them at low rates ; the example of the industry and honesty of foreigners would stimulate the natives to these observances ; and without the aid of British capital the produce of the mines, which constitutes its wealth, will not be improved. Admitting even that a diminution of the duties did affect the resources of the State, still the sacrifice would be more than counterbalanced by the foregoing advantages ; but I am convinced that it would also cause an augmentation of the revenue, as has been the case in Columbia and Buenos Aires<sup>2</sup> ; and the European merchant is intitled to a higher recompense in this than in those republics, with reference to the distance of his voyage, to the higher charges attendant on his adventure, and to the necessarily greater security which he requires to induce him to embark in the trade. These considerations, and the fact that the interests of Great Britain suffer under the present system, satisfy

<sup>1</sup> Cf. *supra*, p. 93, n.

<sup>2</sup> *Supra*, pp. 53, 61 ; *infra*, pp. 247-9.

me that the principle of low duties would prove most advantageous to all parties.

By article 11 there is an apparent fairness in placing foreigners on the same footing as the natives in regard to the duties on imports from Europe and the United States, and in imposing high duties on certain articles for the encouragement of Peruvian manufactures<sup>1</sup>; but there is no chance for years of the natives sending vessels to our ports owing to their want of capital and to there being no exports hence; and on the impolicy of the latter object I have already submitted my observations. The duty of 30 per cent. charged on manufactured goods of cotton, wool, silk, hardware, etc., is too high, and it would be desirable to approximate the duty to that levied in Columbia and Buenos Aires<sup>2</sup>; or to reduce it to 20 per cent. on the invoice cost of the goods. Some of the articles might bear a higher duty, but the lower rate of 20 would be preferable as a greater security to the government to secure its just dues, and as the fair trader would not be undersold in the interior of the country, to which he is subjected on the one side by Buenos Aires, and on the other by Guayaquil, where the duties are so moderate. Under the present uncertain and corrupt system of levying an ad valorem duty, the surveyor decides according to his caprice or by personal favor; in some instances the valuation leaves the actual duty, therefore, low, whilst in others it is so high that there is an inducement to evade it; and hence uncertainty, bribery, and corruption prevail. The production of the ships' *correct* papers, as I stated under the head of manifests, would gradually substitute honesty and regularity, and a liberal and just trade should likewise remove the chance of future contest between the government and the merchant regarding a long or short credit for the payment of the duties. The periods now allowed for this are unobjectionable, but I see no reason upon the establishment of just commercial regulations, why this government should not be intitled to receive payment on entry of the goods for the consumption of the interior; and the merchant could have no object in resisting prompt payment, as his imports would be suited to the demand, and as he would have no interest in retaining articles in store to keep up high prices. Bonded warehouses, however, should be established for goods intended for exportation to the several ports between this and California, and subjected to a charge

<sup>1</sup> Art. 19.

<sup>2</sup> *Supra*, p. 61; *infra*, p. 247.



of a quarter of a real per package after six months and to be removed within two years.

By article 19 a duty of 80 per cent. is imposed upon various articles as prejudicial to the agriculture and industry of the State ; and by a subsequent regulation an additional duty on them of 10 per cent. is charged ; a higher rate on spirits ; and gunpowder and tobacco are declared to be a monopoly.<sup>1</sup> These and sugar I shall notice separately. In regard to hats, soap, hogslard, candles, boots, shoes, saddlery, and furniture, they may be said to be prohibited under this duty ; and so would tocuyos, the grey cotton cloths, and the bayetas toscas or baizes, be, but from the great demand for them they will either be introduced under new names,<sup>2</sup> or foreigners will establish in this country manufactories of them, and of other coarse woollen and cotton cloths. From what I have heard, supposing these high duties to be continued, the undertaking will be attempted, and with a prospect of success from the cheapness of the raw material. Thus instead of the government gaining its object, the trade in these articles of necessity will be monopolized by a few foreigners. On these goods, therefore, as well as on the minor articles enumerated, as their prohibition will in no respect be beneficial to the people, as described under the head of manufactures, I believe that it would be advantageous on tocuyos and baizes to reduce the duty to the level of that proposed on other manufactured goods, viz: 20 per cent. ; and on the other articles to 40 per cent.

It is to be observed that several articles not specified in the two preceding clauses are subjected to the former duties levied on them, but I shall only notice those on which the duties are burthensome. A heavy duty on wheat is of course felt as a serious grievance. Wheat should be imported from Chile for 2 dollars 5 reals the fanega of 135 pounds ; the duty on it is 3 dollars, or about 114 per cent. I have explained the cause of flour having been imported with success from the United States. The cost on its arrival here now is per barrel of 196 pounds 9 dollars ; the duty 7½ dollars, and the retailed price in the market sixpence per pound. This is an excessive charge to the consumer, and the duty should be reduced to 12 reals the fanega of wheat, and 3 dollars 6 reals the barrel of flour. At

<sup>1</sup> 22 Sept. 1826, *supra*, p. 132, n. 1 ; p. 144, n. 2.

<sup>2</sup> On 4 Jan. 1827 the government imposed a duty of 80 p.c. on sanas bafetas, madapolanes, and other goods ' comparable to the tocuyos of North America '. *Registro Oficial de la República Peruana*, 13 Jan. 1827.

this rate wheat could be imported from Riga or from New Holland ; which is important on this necessary article of life in case of any circumstances occurring to obstruct supplies from Chile and the United States. The duty on spirituous liquors has been increased to about 100 per cent.<sup>1</sup> This prohibitory rate is for the purpose of protecting the landholders at Pisco in the distillery of their brandy. The quantity produced, however, is insufficient to supply the demand at the neighbouring ports, and an augmentation is not likely for many years from the want of laborers, whilst mariners and foreigners require the foreign spirits. The importation could not prove injurious as the natives infinitely prefer their own produce though dearer, and as every just means should be adopted to check smuggling, the government would profit by reducing the duty to 60 per cent. A duty of 48 per cent. on wines is imposed for the reason above mentioned ; but the quantity of wine manufactured in Pisco is very inconsiderable, and it is not likely to be increased as the brandies produced there are far more profitable to the landholders. The policy of this country should be to encourage the trade of France equally with that of other countries, and as the natives are acquiring a taste for her wines the reduction of this duty to 30 per cent. would be advisable. A similar duty of 48 per cent. is levied on beer,<sup>2</sup> and for this there can be no good cause : it would never answer to make it here from the dearth of grain, and as no one can afford to drink it at 8 dollars the dozen, to which price the duty has raised it, the importation has ceased. Considering the heavy charges of freight, etc., the article would not bear a higher duty than 15 per cent., which would insure a revenue, as from the habits of foreigners there would be a large consumption of it, and the natives are becoming fond of the beverage. An Englishman has established a brewery in Valparaiso<sup>3</sup> which he has found to answer, though he has heretofore been unable to export the produce.

The duty on *sugar* which has been raised to 90 per cent. by a subsequent regulation,<sup>4</sup> is a prohibition of its importation. It is certainly desirable to have a protecting duty on this article for the sake of the landholders, but not to exclude its introduction from foreign ports, since they are unable, from the want of laborers to

<sup>1</sup> *Registro Oficial de la República Peruana*, 4 Oct. 1826.

<sup>2</sup> *Supra*, p. 144. n. 1.

<sup>3</sup> *Miers, op. cit.*, ii, 289-90.

<sup>4</sup> 22 Sept. 1826, *Registro Oficial de la República Peruana*, 4 Oct. 1826.

cultivate the cane, to furnish a sufficient supply. From its very general use it has become a necessary article of life, and the consumption of it would be doubled if sold for a moderate sum. The present high price of  $7\frac{1}{2}$  to 8 dollars per arroba of 25 pounds is severely felt by the lower class of people ; and as I have shewn that a fair profit would be left to the manufacturer if the article were delivered by him in Lima at  $4\frac{1}{2}$  dollars the arroba, and as its quality is greatly preferred here to the West and East India sugars, a reduction of the duty to 40 per cent. would not injure him, whilst it would be the means of keeping down the retail price and of increasing the revenue.

*Gunpowder* and *tobacco* are declared to be an estanco, or monopoly, by a new regulation. The injurious principle of monopolies and particularly in infant States requires no comment. The laws for enforcing that of tobacco are not yet promulgated, but they cannot fail to prove vexatious and oppressive, as well as nugatory, in a country constituted as this is, and regarding an article which is in such general demand. Though smuggling will, therefore, not be prevented, still the consequence will be the enhancement of the price of an article of necessity, which it is become, and hence, as scarcely a man, woman, or child is ever without a cigar, a clamour will be raised against this government which will spread through every town, and be supported by merchants and shipowners who will also have their grievances from the harassing scrutinies to which they will be subjected. The estanco was the main cause of the unpopularity of the late government of Chile ; the same effect will be produced in Peru ; and in both probably the evil will be removed by the Government being ultimately obliged to abandon it.<sup>1</sup>

The *tonnage* duty is moderate, amounting to half a dollar a ton ; but contrary to the custom of Europe this duty is collected at every port in Peru at which a vessel may touch ; and as foreign vessels generally import goods at the ports major between Valparaiso and Lima, the duty in the aggregate falls heavy, amounting on a vessel of 200 tons to from 200 to 300 dollars. An increased import duty of six per cent. is levied on goods which have paid the customary import duty, on their exportation to a place within the territory, for instance from Arica to Lima. Merchants complain very justly of this excess.

The vexatious alcabala duty has been wisely rescinded, but

<sup>1</sup> *Supra*, p. 100, n. 1 ; p. 132, n. 1.

foreigners are prohibited from carrying on the inland trade, the impolicy and injustice of which I shall notice under that head.<sup>1</sup>

The charges for the warehouse of goods remaining in the Custom House of Lima have constantly been fluctuating and subjected to increase. The complaints, however, of the merchants are now removed by the Custom House being fixed at Callao where the warehouses are large and commodious, and by reasonable rates having been established on the articles in general, though on some the charge falls too high.

With the exception of the precious metals all productions of Peru are free if exported in vessels under the national flag ; but if in foreign vessels, they are subjected to a duty of 4 per cent. on the current market prices, which had better be abolished for the sake of encouraging agriculturists and of supporting fair trade.<sup>2</sup> My observations regarding the duty on silver and gold coin, and on the prohibition to export bullion, or plata piña, I have reserved for the last item, as the question from its importance to British interests requires to be distinctly examined.

From the coinage of silver the government derives a profit of about 14 per cent., viz. : 11½ per cent. on the receipt of the bullion in the mint, and, after paying all charges in reducing it to coin, 2½ out of the 11 per cent. of alloy : and a duty of 5 per cent. is levied on the exportation of the coin. The government has fallen into the error of the Spaniards in supposing that it can secure the advantage of manufacturing into dollars the whole of the silver produced, by prohibiting the exportation of uncoined silver or plata piña ; but as in addition to the heavy charges of coining, great inconvenience is experienced in bringing the silver from the distant mines, and from the defective state of the mint in machinery, skill, capital, and expedition, proprietors are very reluctant to pass their bullion through this channel, and prefer selling it to any one who will take the risk of shipment. An extensive illicit traffic is hence encouraged and carried on, as I have noticed in my despatch No. 19,<sup>3</sup> and this from the extent of sea-coast there will be no possibility of preventing by prohibitory laws. It would be politic therefore in the government to permit the exportation of uncoined silver at a moderate duty. The following statement will shew the

<sup>1</sup> *Reglamento de Comercio*, 6 June 1826, arts. 48, 52. *Infra*, pp. 204-5. See also *infra*, p. 155.

<sup>2</sup> *Reglamento de Comercio*, 6 June 1826, arts. 32-9. *Infra*, p. 203.

<sup>3</sup> *Supra*, p. 108, n. 3.

relative value of plata piña and of dollars as a remittance to England :—

*Plata Piña*

	Dollars.	Reals.
in Lima and on the rest of the coast costs from	7	4 to \$7-6 per mark.
The expenses or smuggling average about 7 per cent. or	—	4 to „ „

8	- to \$8-2 „ „
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But on board, in consequence of the risk which has been incurred by the party smuggling, it is charged to the exporter in England at from

8	6 to 9
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	Dollars.	Reals.		£	s.	d.
100 marks of plata piña at	8	6	cost	875	dollars,	or
exchange at 48 pence per dollar				175	-	-
5 per cent. { freight in H.M. ships of war	2½	per cent.		4	7	6
{ insurance do.	1½	„ „		2	12	6
{ carriage, portorage, assaying, etc etc.	1	„ „		1	15	-
				183	15	-

100 marks are equal to 800 Spanish ounces or 741½ oz. Troy.

But plata piña when reduced to English standard gains on the average about 3 per cent. after allowing for loss of weight 22½

say 764 oz. at 5/¼ p. oz.	193	7	9
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Profit	£9	12	9
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or about 5 per cent. on the cost.

*Dollars*

	£	s.	d.
Exchange at 48 pence, 875 cost	175	-	-
Charges of freight, insurance, etc., about 4½ per cent.	7	17	6
Export duty 5 per cent.	8	15	-

191	12	6
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Dollars.	Oz. Troy.	Dollars.	Oz.	Troy.	
1000 weigh 864	therefore	875 =	756	at 4/10½ per oz.	
			184	5	6

Loss	£7	7	-
------	----	---	---

or about 4 per cent on the cost.

Difference about 9 per cent. in favor of plata piña.

As the illicit export of piña costs the shipper 7 per cent., and as a great advantage is derived from the remittance, a duty of 10 per

cent. on a valuation of 7 dollars 4 reals per mark would perhaps be a fair charge with reference both to the merchant and to the government. It would not be more than he could well afford to pay, nor too high to induce him to evade it ; whilst the rate would probably be acceptable to the government, considering the security of its receiving a fair revenue on the silver produced, and the probability of the coinage being increased in consequence of the mint having been undertaken by a British merchant, who is gone to England to procure the improved machinery.<sup>1</sup> This circumstance and the fact, as shewn, of the loss of 4 per cent. on the remittance of dollars, leads in fairness to a reduction of the duty of 5 per cent. on their exportation. The just rate would be  $2\frac{1}{2}$  per cent., which would also tend to support the arrangement suggested with regard to plata piña ; and to place the precious metals on a footing of equality, the duty on gold should be rescinded, but as this measure would be unpalatable to the government, the diminution of the duty to 1 per cent. would perhaps suffice to counteract its clandestine removal.

In advertence to the extent of British capital which will probably be invested in mines, this arrangement would be highly desirable to British subjects ; and the Peruvian revenue would at the same time be benefited, since in Chile no smuggling of plata piña takes place now that it is allowed to be exported on a duty of 7 per cent.<sup>2</sup>

A bank might be established at Pasco, the principal district for the purchase of plata piña from the miners, and the government could adopt other means for obtaining the necessary supplies for the mint, prior to its issue of permits for the export of plata piña. There would be no difficulty in preventing the fraudulent embarkation of it, as the plata piña might be run into bars and stamped, and the captains of his Majesty's ships might be directed to receive none in any other form, nor without a permit from the Custom House, countersigned for the sake of greater security by the consul. The same method would be applicable to merchant vessels, exclusively of the right of searching them when suspicion existed ; and an additional satisfaction might be given to this Government by establishing the check in England of causing the Custom House to note returns of the deliveries.

From the complaints of British merchants some reforms are also desirable in the system observed in the shipment of silver on board

<sup>1</sup> 'The mint is now conducted under British superintendence.' Ricketts to Canning, 16 Sept. 1826, F.O. 61/8.

<sup>2</sup> See *supra*, p. 95, n. 3.

of his Majesty's vessels, and respecting the delays which occur in its conveyance to England. Many captains have refused to sign bills of lading specifying the weight of the silver or the number of dollars, on the grounds of their not being responsible for the amount inserted in it<sup>1</sup>; and of their being only bound to subscribe conditionally, stating that the silver is *said* to weigh, and that the dollars are *said* to be, so much or so many. This document would be resisted by the underwriters as it constitutes in a court of law no proof of shipment, and consequently in case of a loss the shipper has no sufficient evidence to recover on. The captains could guard themselves against undue responsibility by signing bills of lading running thus:—

1 box containing 1000 dollars.

1 do                      20 pieces of plata piña weighing 100 marks.

N.B. Not liable for deficiency in weight, or difference of quality in plata piña or bar silver.

With regard to remittance by bills of exchange much convenience was for some time offered by the loans which had been made in England to these countries, and by the necessity of retaining capital here for working the mines. In the former case the easiest method to the government of receiving the amount of the loans was by selling their drafts on the contractor; and in the latter case the money could only be raised by bills on England. To the importers of goods these circumstances have been highly advantageous, because from the produce of the mines during the few last years having suffered considerable diminution, while an increased amount of circulating medium became requisite from the increased expenditure of the government, the renewal of an active trade, and the wants of mining companies, a scarcity of silver for exportation has been the natural consequence. Indeed so great has been the scarcity of money in the market that from 1 to 2½ per cent. per month is paid for interest. This will account for the exchange having risen in April last as high as 50, and for its still keeping up to 47, notwithstanding the demand for bills and the loss on remittances by dollars. The temporary excessive rise was occasioned

<sup>1</sup> By reason of the small percentage which they received, the captains became responsible for the safe delivery of the bullion and coin on board their vessels. Miers relates the fraud perpetrated on Captain Mackenzie of H.M.S. *Superb*, who innocently signed double bills of lading, and was defrauded of \$80,000. *Travels*, ii. 61.

by the speculations undertaken in England for working the mines,<sup>1</sup> which by requiring the investment of a large capital here, caused a demand for money; and this, as has been said, could only be raised by drawing against England. The subsequent fall is attributable to the commercial distresses of England, which obliged the merchants here to make hasty remittances to their correspondents at home; and good bills, whether on the public account or otherwise, bore a premium, since drafts were suspended on several mercantile houses and on mining institutions, from the apprehensions entertained of their non-acceptance. The channels for remittances by bills being thus diminished, the exchange on England has necessarily risen in its favor.

The progress of the coasting and inland branches of trade will be reviewed in the second part of this report; but a few observations are here necessary regarding the footing on which they are placed by the commercial regulations.

I have stated that the coasting trade has chiefly fallen into the hands of British subjects. This was to be expected during the revolutionary times, and its continuance has arisen from want of enterprize and of capital among the natives. Foreigners are now, however, restricted from the commerce with certain ports unless possessed of special licenses; that is to say, they are allowed to proceed to and from Callao touching at the 'puertos mayores' or principal ports, viz. Arica, Islay, Huanchaco, and Paita; but not to touch without a licence at the 'puertos menores', or inferior ports, viz. Ilo, Nasca, Pisco, Huacho, Casma, Pacasmayo, and Lambayeque; the former clause having reference to facilitating their means of supplying Upper and Lower Peru with their merchandize, and the other to check contraband and to keep the trade in the products of the country in the hands of the creoles.<sup>2</sup> This latter object is just in principle, but it is inapplicable to the existing state of Peru for the very reasons which have caused the trade to be engrossed by foreigners, which is the case, since though many small vessels carry the Peruvian flag, their owners are chiefly English. Until this Republic, therefore, is placed on a more fixed

<sup>1</sup> English gives particulars of 26 Spanish American mining companies founded or projected in 1824 and 1825. *Guide to the companies formed for working foreign mines* . . . There is a succinct account of the mania in the article on Mining Companies in J. R. McCulloch, *A Dictionary, practical, theoretical, and historical, of commerce and commercial navigation* (London, 1832. Many editions).

<sup>2</sup> *Reglamento de Comercio*, 6 June 1826, arts. 1, 43, 44. *Infra*, pp. 198, 204.



basis, and its merchants are enabled to embark in the trade with their own capitals, considering the benefits derived from the foreign residents they should not be subjected to the whims and caprice of the public officers in granting or withholding licenses. Hence it would be desirable that the existing shackles to confidence and security should be withdrawn, for the purpose of promoting that system of openness and fair dealing which should subsist in every transaction between foreign merchants and this Government.

I mark this observance the more pointedly, because exclusively of its general expediency for the maintenance of a good understanding and friendly intercourse, it is peculiarly important in respect to the inland trade. Recently the British merchant had to complain of the vexatious and oppressive *alcabala* duty; 6 per cent. was paid on the removal of goods, or produce, from one province to another, and it was subjected to augmentation if prices varied<sup>1</sup>; so that if the market on the importation of the goods was lowered, the original valuation remained, but if it had improved a new duty was to be paid. This stimulus to smuggling has ceased by the abolition of the duty. The government, however, has counteracted the credit which would have been its due from that step, by enacting that the inland trade is prohibited to foreigners.<sup>2</sup> Hence though they are professedly allowed to manage their own trading concerns, they are in this instance obliged to employ a native consignee, or to conduct the trade in an indirect manner under false names. The irregularities, mismanagement, ignorance, and want of good faith on the part of the natives, have occasioned the latter plan to be generally resorted to. Much inconvenience, however, will result from it to the English merchant, if the government persevere in its system, and he naturally feels the injustice of the prohibition after the aid he has afforded towards securing the independence of the country. The impolicy of the measure is not less manifest, for the establishment of a law, which being injurious to the community will necessarily be evaded, tends to weaken the authority of the executive, and without the capital and activity of the British merchant the trade would dwindle into insignificance, the goods would have to pass through two or three different hands, the supply would be scanty and ill-assorted, and the price to the consumer, consequently, would be greatly enhanced.

<sup>1</sup> Originally levied at the rate of 2 per cent, the *alcabala*, or sales tax, was subsequently raised to 4 and then to 6 per cent. Zamora y Coronado, *Biblioteca de legislación ultramarina*, i. 146.

<sup>2</sup> *Infra*, p. 204.

The foregoing explanations will shew, unfortunately, that the commerce of Peru is in a deplorable condition ; a government pursuing the mistaken notion of augmenting its resources by heavy exactions on all commodities ; the exports of the country almost confined to a diminished amount of the precious metals ; the necessary articles of consumption bearing exorbitant prices ; every difficulty thrown in the way of the fair trader ; no means of arresting under the existing system the demoralizing efforts of contraband trade ; a lamentable want of all stimulus to exertion ; a scanty population without industry, capital, or knowledge ; and the trade conducted on a most erroneous if not deceptive plan, which not only the late but the present peculiar circumstances of the country, perhaps necessitate. The commerce was too hazardous for regular established British houses to embark in it ; the country was in a state of convulsion ; and even now the Government is not fixed ; the British resident here is consequently insecure, and information is wanting in England regarding the articles best suited to the market and the amount of the returns. The fate hovering over the existing trade is that which attends most gambling speculations ; and a serious duty devolves on your public functionaries to devise measures for diminishing the portended evils, and for guarding against their recurrence. On the first point every endeavour on my part shall be exerted ; and on the second, a clear understanding of the errors is the first advance towards remedying them, and in this respect the insight which I have attempted to convey will perhaps be found sufficient. An anxiety among the parties interested to amend the system is the second step ; and the means of placing the commerce on a just and solid basis is the third. In justice to the British mercantile body in these countries, I have much satisfaction in stating that I have found every disposition to promote wholesome reforms, whilst hopes of improvement are opening in the respective governments. In Peru, though old jealousies and prejudices against foreigners are not eradicated, the government is aware that the State suffers from the ignorance and indolence of the people, and that the example of British industry is essential for the public welfare. My suggestions to it to commence on those measures which are calculated to secure the objects of revenue and internal improvement have heretofore been received with a kind feeling, but accompanied by the declaration that the proper period for their consideration is when Great Britain will authorize a commercial treaty to be entered into with Peru. Indeed an earlier

agitation of the question of commercial reforms might hazard the establishment by this government of all the proposed checks, and the refusal of any reduction of duties, which should be the forerunner of them. His Excellency General Bolívar<sup>1</sup> has certainly shewn that he is sensible the income of a State will progressively augment by promoting foreign intercourse, since just and liberal principles are exhibited in the commercial regulations of Bolivia, and important commercial changes have been adopted in Columbia.<sup>2</sup> If corresponding measures be observed in Peru and Chile, if these Governments and Bolivia be acknowledged, and security and protection consequently be obtained for British subjects, a trade will be established along the Pacific on a fixed and proper footing ; branches from regular British houses will be sent hither ; supplies of articles of necessity and convenience will be proportioned to the demand ; instead of a monopolizing principle, profits will be derived from extensive sales at low prices, to the benefit of the community ; any temporary stagnation of commerce will be unfelt ; and money, the commodity most needed in these countries at present, will be imported for the purpose of assisting on moderate terms the pressing exigencies of these States and of individuals, and above all for advances to the miners. The Peruvians have certainly acquired a taste for the commodities of Great Britain and prefer them to those imported from France and other parts of Europe. The diversity of climate causes among all classes of people a want of most of the manufactured goods of England ; the principal houses are supplied with English glass, brass ornaments, chintz and other hangings, plate, earthenware, kitchen utensils, knives, forks, etc. ; the better class of females though still using in the daytime the saya and manto, adopt in evening parties the English dress ; English mechanics, carpenters, cabinet makers, blacksmiths, watchmakers, etc., meet with ready employment ; and many establishments, such as a pottery or manufactory of common earthenware, would prove very advantageous.<sup>3</sup> But supposing that a treaty with Peru is effected,<sup>4</sup> that a preference continues to be given to British manufactures, and that the British merchant is enabled to defeat his immediate competitor, the North American, still the commerce to this port can be of little importance to Great Britain, until new

<sup>1</sup> Simón Bolívar, (1783-1830), liberator of Venezuela and Colombia, dictator of Peru. *Supra*, p. 107, n. 2.

<sup>2</sup> *Infra*, pp. 247-9

<sup>3</sup> *Supra*, p. 124, n. 1.

<sup>4</sup> No treaty between Great Britain and Peru was signed till 5 June 1837.

capitals are raised in the country ; since on their creation will depend the means of effecting an extension of the produce of the mines, as I have pointed out in my despatch No. 19,<sup>1</sup> and I am quite sure that without the aid of British capital and industry, the expectation of improvement here to any extent is visionary.

Contemplating, however, this favourable change in the aspect of affairs in Peru, and taking in the meantime the benefit, though small, to our commercial interests from the present returns of the precious metals, the further advantages are to be added of the trade to ports along the eastern coast of the Pacific. This commerce in the aggregate merits the attention of Great Britain, since the British merchant who trades to the Pacific becomes more or less connected with each port ; even in the present unsettled state of the countries, the accumulated exports form an object of consideration ; the resources of the republics of Chile and Bolivia are improving ; both are receiving large supplies of British goods ; and the policy of the latter is to have a port on the Pacific in order to facilitate her imports and exports.<sup>2</sup> A review of this subject brings me to the second part of my report.

Many of the evils and disadvantages which I have described in respect to the state of Peru, will unfortunately be found applicable to most parts of South America ; idleness, ignorance, and vice, too commonly prevail ; the inhabitants are scanty in number<sup>3</sup> ; and prejudices against foreigners exist founded on the bigotry of the people, and their supposition that strangers rob them of their gold and silver ; but the higher class of the community feel the importance of cementing the friendship and forming an extensive intercourse with Great Britain. In many parts the climate is salubrious and the land fertile ; the natural productions are various and valuable ; and many of the harbours safe and commodious ; every prospect therefore offers for the employment of European arts and industry.

I shall have to notice in the following pages the benefits which the respective ports hold forth to the British merchant ; but I have

<sup>1</sup> *Supra*, p. 108, n. 3.

<sup>2</sup> *Infra*, pp. 216-7.

<sup>3</sup> Humboldt estimated the total population of Spanish America in 1823 as 16,750,000. *Personal Narrative*, vi. 127. This, by a slightly different calculation, he made up as follows :—Indians, 7,530,000 ; Mixed, 5,328,000 ; Whites, 3,276,000 ; Blacks, 776,000. *Ibid.*, vi. 836. At the beginning of the nineteenth century he supposed that out of a total population of 14 or 15 millions there were some 3,000,000 creoles and 200,000 Europeans. *Ibid.*, iii. 438. For more detailed references see index.

previously to submit a few remarks on the expediency of encouraging the trade round Cape Horn, rather than of promoting the plans for diverting it by opening a communication between the Atlantic and the Pacific ; since if the conclusions which I draw be correct, a greater interest will be excited in keeping steadily in view the improvements contemplated in the existing trade along the Pacific.

The projects for effecting a junction between the two seas have no doubt been so frequently brought to your notice, that I shall only briefly advert to the points conceived to be most favorable for cutting canals, and to the circumstances which appear to me to render the measure impracticable.<sup>1</sup>

1<sup>st</sup>. Attention has been directed to three channels through the isthmus of Panamá. The first by deepening and completing the Canal de Raspadura between the Rio Atrato and the Rio San Juan de Chocó. A French engineer officer in the Columbian service, who was appointed recently to survey the canal, reports that it was never finished and that though it might be made with the assistance of locks, the passage would be impossible except for small boats when the river is swollen. Even then the course is so tortuous, and so many difficulties would offer to the navigation from the rapids, etc., that it would be less eligible and more expensive for goods than by a land conveyance.<sup>2</sup> The second channel contemplated is from the Gulph of Darien to Charambiro, or along the river Naipi to the Cupica ; the obstacles which oppose its formation are a chain of hills separating the source of the Cupica from the Naipi, the rivers becoming suddenly dry, and the water at the mouths being shallow. And the third plan was to connect the river Chagre with the Pacific ; but this idea has, I believe, been generally abandoned on account of the land being at an elevation of 400 feet, of the rocks to cut through, and of the river being only navigable for canoes.<sup>3</sup>

2<sup>ndly</sup>. A canal has been proposed from the Lake Nicaragua to the Gulph of Papagayo, but by all accounts a sufficient depth of water could not be preserved in consequence of the shoals at the

<sup>1</sup> On the various routes proposed for joining the Atlantic and the Pacific see Humboldt, *Essai politique*, i. 12-27 ; and Robinson, *Memoirs of the Mexican revolution*, ii. 265-306.

<sup>2</sup> *Infra*, p. 269. Humboldt gave currency to the story that a little canal in the ravine of Raspadura united the Atrato and San Juan. *Essai politique*, i. 25 ; Robinson, *op. cit.*, ii. 266-7.

<sup>3</sup> Robinson, *op. cit.*, ii. 269-74 ; *infra*, p. 270.

mouth of the river San Juan ; and the construction of the necessary piers would be almost impossible.

And 3<sup>rdly</sup>, according to a recent survey made by order of the Mexican government, the formation of a canal from the highest navigable point on the river Guasacualco to the bay of Tehuantepec is impossible, from the deficiency of water on the summit levels to supply the locks which would be requisite to cross the intervening ridge of hills, which is about 350 feet high ; and from the enormous expense which would attend the removal of the numerous obstructions in the river, and the deepening of the bay so as to form a harbour even for small vessels drawing 5 feet. Moreover the severe gales which prevail from the month of June to the middle of November on the Mexican coast would render it very unsafe for vessels to lie there.

Admitting, however, that human ingenuity is able to surmount the natural impediments specified, I question whether Great Britain would derive any one advantage from the measure. The voyage to and from the East Indies can be preferably made round the Cape of Good Hope, and even to and from China ; for although the distance is greater by 300 leagues than it would be through the American isthmus, it could be run, with reference to the regular trade winds in less time ; whilst various facilities offer for improving the system on which the whale fishery is conducted, as also the commerce to Nootka,<sup>1</sup> and that of India and China to the respective ports along the eastern coast of the Pacific, from the close alliance which is forming between Great Britain and the States of Chile, Peru, etc. The benefit to the United States would be evident, as a voyage thence to China might by the aid of steam vessels be performed in 63 days, and to use the words of one of her citizens, W. Robinson :—' the junction of the Atlantic with the Pacific would be the means of effecting an entire revolution in the present trade of the whole Southern Sea and of securing to the United States that maritime superiority of the New World to which she seems to be destined '.<sup>2</sup>

<sup>1</sup> The fur-trade. The Nootka Sound Convention of 1790 admitted the right of British subjects to trade and settle on the north-west coast of America in regions not occupied by Spain. ' It was the first express renunciation of Spain's ancient claim to exclusive sovereignty over the American shores of the Pacific Ocean and the South Seas.' W. R. Manning, *The Nootka Sound controversy* (Washington, 1905, reprinted from Am. Hist. Assoc., *Ann. Rept.*, 1904), p. 462.

<sup>2</sup> Cf. Robinson, *op. cit.*, ii. 306, 316-17. The quotation is not exact.

Under this view it is not only undesirable for British capital and skill to be employed in furthering the attempts to construct the canals, but also the roads which are projected from Guasacualco to Tehuantepec, and across the isthmus of Panamá. British capital has already been invested to a heavy amount in various speculations in the respective republics both of North and South America ; many will unfortunately fail and scarcely one will prove of the slightest utility to Great Britain. The Tehuantepec road might be made by the Mexican government, and with advantage for the internal commerce of the country ; but if undertaken by private enterprise, serious losses would probably ensue ; foreigners would be unable to control the workmen, and the expense would be considerable and irrecoverable, as I shall hereafter have to shew that China and East India products have become unimportant for the consumption of Mexico, and their transportation across it by land for exports to the United States and to Europe could never answer, compared with their safer and cheaper conveyance by sea. No great obstacles, I believe, oppose the formation of a road across the isthmus of Panamá ; but as the population is scanty and inert, difficulties would exist in procuring the necessary number of laborers ; European overseers would fall a sacrifice to the unhealthiness of the climate ; and the profits would be wholly disproportionate to the expense, since the trade from Europe to the ports on the Pacific of Guatemala and of Mexico is now very limited, and that to Chile, Bolivia, and Peru, can be more beneficially carried on round Cape Horn in respect to time, to expense, and even, I am inclined to think, to safety.

The object of the British merchant is, and will continue to be, best consulted by his leaving supplies for these countries at the respective ports, which, from the prevalent winds, can only be done from the southward, by taking up return products in succession, and by depositing the balance of his goods at Callao, for the internal consumption of Peru and for the demands at the ports between this and California. Now the ordinary run of a vessel from Falmouth to Chile is 90 days, and owing to the regular southerly wind which blows on this coast, the average voyage thence to Callao is 12 days. The passage from Falmouth to Chagres occupies 45 days ; 23 more may be reckoned for unloading the goods, procuring the mules, the land journey to Panamá, the reloading, and the detention of the vessel by the dilatoriness of the Custom House officers and people ; the voyage from Panamá to Callao takes 35 days ; and

thence to Quilca, to Arica, or to Chile, being against the monsoon, 22 days; or total 125. The charges of the double freight from London to Chagres and from Panamá to Callao, would, considering the heavy expense of keeping vessels in this country, exceed the freightage of a direct voyage to Callao, and still more so of that to Chile<sup>1</sup>; whilst the Panamá charges for unloading and reloading, mules, coverings of packages, warehousing, commission, and duties, would constitute a superadded expense on the merchandize, and this the bulkier articles could not at all events bear, admitting, which is doubtful, their capability of transportation by land. The dangers of a voyage round Cape Horn are much exaggerated; the insurance is the same in the United States on a vessel proceeding to Chagres or to Chile; the British ships employed in this trade are generally of an inferior description and badly found, yet losses are of rare occurrence even in the present uncertainty of the navigation; instances have indeed been known of vessels beating off the Cape for six weeks, but this probably arose from their being in a wrong latitude. Masters of whalers and other experienced mariners report that the voyage can be performed with celerity and safety, if vessels make Berkeley Sound at the Falkland Isles, where they can water, pass through or round the Straits of Le Maire, and then, should the wind prove adverse, run into the Bay of St Francis off Cape Horn, where they can lie in perfect security until the wind is favorable to take them to Chiloé or to Concepcion. There is now, however, every prospect of the British mariner being speedily possessed of a sure guide for his route, as the Admiralty has, I understand, appointed two intelligent officers to survey the respective harbours of the Cape,<sup>2</sup> and to correct the bearings of the ports along the Pacific which are incorrectly laid down in the Spanish charts, either through ignorance or for the purpose of deception.

This undertaking, when once satisfactorily accomplished, will be the means of promoting our commercial and shipping interests, and of securing also the formation of another nursery for our seamen; and satisfied on these grounds of the expediency of giving every

<sup>1</sup> *Infra*, pp. 241-3.

<sup>2</sup> Captain P. P. King and Captain Pringle Stokes, sent in 1826 to survey the southern coasts of South America. The survey was published in 1832 under the title of *Sailing directions for the coasts of Eastern and Western Patagonia* . . . See also [Robert Fitzroy] *Narrative of the surveying voyages of His Majesty's ships Adventure and Beagle, between the years 1826 and 1836* . . . (3 vols., London, 1839). Volume 1. contains the proceedings of Captain King's expedition.



encouragement to the trade round Cape Horn, I hope to be excused for pressing on your consideration an arrangement for the establishment of packets between Falmouth and Chagres, and Callao and Panamá. The consul here of the United States has already brought the subject to the notice of his government, and it is probable that your support of the plan will be solicited by those who are connected with the commerce to South America. It already suffers greatly from the delay of correspondence ; many losses would be avoided and many advantages gained by this easy and direct route for the conveyance of letters ; and you would possess the means of quick communication to the public functionaries in these countries, which is now very desirable and is likely to become more so. If steam vessels were employed, letters hence would reach Falmouth in 51 days, viz. : 11 from Callao to Panamá allowing one day for touching at Point Elena to take the Guayaquil mail, 5 days detention between Panamá and Chagres, and 35 thence to Falmouth.

Although this would be the more expeditious mode, the cheaper plan would be for government to appoint two packet boats between Carthagena or Jamaica and Chagres, and two to run between Callao and Panamá ; or two gun brigs would be preferable if the consul of Panamá could secure the safe remittance of bullion by that route. The difficulties and delays of transporting goods by land, would not occur in conveying treasure ; a part of the freight on it, and the postage of the letters, would form a set off against the expense ; and the stationing thus two gun brigs on the Pacific might tend to diminish the necessity of the present very expensive naval force here. The Cambridge<sup>1</sup> alone will cost annually, I believe, £60,000 ; and on enquiry you will perhaps be of opinion, that one frigate and two corvettes in addition to the two brigs would be sufficient for the protection of our mercantile interests between Valparaiso and San Blas. I fear, however, that the risk attending the transport of treasure across from Panamá would raise the insurance beyond what the merchant could afford ; but I have requested the consul to communicate with you on the subject. Should two gun brigs or boats be appointed, I submit that his Majesty's Senior Naval Officer be instructed not to divert the vessels from the service of packets unless on some very special object : the Chile mail could readily be sent here at stated periods ; one of the corvettes could easily bring the supplies of bullion from Arica and Arequipa, if expedient to remit it by the route of Panamá ;

<sup>1</sup> H.M.S. Cambridge.

and one freight only should be charged to the merchant on the consignment from the Pacific to England, which could be apportioned in the manner judged to be advisable; whilst the captains of the packets would be allowed the usual advantage from passengers.

The importance of the coasting trade along the south eastern coast of the Pacific to our mercantile interests I shall now proceed to particularize. The commerce of home products which was carried on during the time of the Spaniards between the several ports along the Pacific, and Lima; and from Arica, etc., by land to the provinces of Upper Peru when under the viceroyalty of Buenos Aires, left a balance in the year 1789 in favor of Peru of 725,192 dollars, as follows: <sup>1</sup>

<i>Exports of products from Peru to</i>	<i>Imports of products to Peru from</i>	<i>Result in favor of Lima.</i>
	Dollars.	Dollars.
Chiloé	30,000	51,200
Chile	458,317	629,800
Buenos Aires	2,034,980	864,790
Santa Fé, viz. <span style="font-size: 2em; vertical-align: middle;">}</span>		
to	128,295	284,460
Guayaquil		
Guatemala, etc.	28,350	124,500
	<hr/> 2,679,942	<hr/> 1,954,750
		Dollars <u>725,192</u>

During the revolution the coasting trade was necessarily interrupted; the supplies, however, of European manufactures were left by the same vessel whether from Great Britain or the United States at different ports in succession, and consequently not subjected to the expense of transshipment, to export duties, to extra freight, and insurance. This privilege to foreign vessels is at present restricted, unless by special license, as I have already noticed, to the ports major <sup>2</sup>; but I trust that the governments of Chile and Peru will see the expediency, at all events until the natives hold vessels of their own, of granting to foreign vessels coming from Europe or the United States the power of proceeding likewise to the ports minor, for the purpose of bartering the products of the several provinces in any rotation which may suit the views of the merchant. The southern parts of Chile are capable of supplying the more northerly and Peru with the principle necessities of life,

<sup>1</sup> The figures are taken from the *Mercurio Peruano*, i. 232.

<sup>2</sup> *Supra*, p. 154.

which in itself will cause an extensive carrying trade, and will benefit especially British vessels engaged on a direct voyage from England; since when the secondary object offers of carrying on freight, of bartering produce, and of reselling it at neighbouring ports, the combined advantage will be great, and the charges on the products small compared with those incurred on national vessels when exclusively employed in the port to port trade.

This commerce as at present conducted may be divided into two branches:—First, that of conveying to this and other ports the produce of Chile; that is, from Valparaiso, wheat, barley, beans, indian corn, cheese, and dried fruits of various kinds, such as almonds, raisins, nuts, etc., also dried beef and tallow. The same articles, with the addition of boards, planks, and heavy wood, come from Concepción, Valdivia, and Chiloé. From Guayaquil there is an extensive trade to various ports in Chile, Peru, and Mexico; the exports are cacao, straw hats, cordage, planks, native tar, etc. From Huanchaco and Lambayeque, the ports of Trujillo and San Pedro, the exports are sugar, rice, beans, etc. From Pisco Peru is supplied with white brandies, some wine, etc. From California with tallow, and some salted beef; and Sonsonate and Costa Rica send to Peru and Chile, indigo, mats, sugar, etc. The above may be called the native coasting trade.

The second branch consists of those cargoes which are made up in Lima of British and other European goods, and which are taken hence to Trujillo, Paita, Guayaquil, Esmeraldas, Costa Rica, and San Blas; and at times to Arica and Quilca. The vessels employed are from 90 to 110 tons burthen, under English and North American, and some under Chilian, Peruvian, and Columbian colors; generally speaking the owners are British subjects, and the hulls of these vessels are principally of the build of the United States.

The voyage from Chiloé to Callao de Lima occupies about 13 days			
Concepción to	do.	11	„
Valparaiso to	do.	10	„
Arica to	do.	6	„
Quilca to	do.	5	„
Pisco to	do.	2	„
from Callao to Chiloé			
Concepción		28 to 30	„
Valparaiso		24 „ 26	„
Quilca and Arica		18 „ 26	„
Pisco		15 „ 20	„
		4	„

The above are all ports to the southward of Lima, and conse-

quently in the south east trade. Those to the northward to which vessels proceed are :—

Huanchaco, to which a voyage hence requires	4 days
Paita and Guayaquil	10 to 12 „
San Blas or Costa Rica	about 35 „

The return voyage from the above five ports to this are nearly as follows :—

From Huanchaco to Callao	12 days
Guayaquil „ „	28 to 30 „
San Blas „ „	65 „

Thus the coasting trade extends from the island of Chiloe to the northernmost part of California ; and as violent winds seldom happen in the Pacific, instances are very rare of a cargo being damaged.

The following is a tolerably accurate list of the vessels which upon coasting voyages have arrived in Callao during the year between March 1825, and March 1826, and of their cargoes, viz. :—

From Chiloe	2 vessels with	wood, hams, etc.
Concepción	5 „ „	wood, cheese, wheat, wine, etc.
Valparaiso	23 „ „	dry goods, wheat, barley, fruits, mules, jerked beef.
Arica and Quilca		have no produce to export suited to the consumption of Peru.
Huanchaco	52 „ „	rice, sugar, pulse, etc.
Lambayeque		
Guayaquil	28 „ „	cacao, wood, hats, cordage, etc.
Paita		
Costa Rica	6 „ „	indigo, sugar, mats, logwood and cedar
Sonsonate		
San Blas	6 „ „	tallow, beef, silver, etc
California		
Pisco	51 „ „	brandies.
Panamá		No vessels have lately arrived from Panamá with cargoes. Several, however, are trading between that place and Paita and Guayaquil with dry goods from Jamaica and the United States

The foregoing enumeration of vessels is exclusive of British and other ships which have come from Valparaiso with cargoes direct from Europe and the United States ; and the exports from Lima to the above-mentioned ports along the Pacific in the return voyages

consist of dry goods, flour, spirits, etc., which have previously been imported from Great Britain, France, United States, etc.

I shall now proceed to notice the products of each port, the prospects of their increase, and the extent of the exports to, and the probable sale of goods from Europe and the United States during the next three or four years.

*Chiloé.* This island is now annexed to the Republic of Chile<sup>1</sup>; it does not furnish any exports for Europe, and as the inhabitants are poor, and manufacture a few coarse woollens and linens, their purchases of British goods can only be to a very limited extent. The articles received from Lima are, cacao, Pisco brandy, sugar, and salt; and the returns are lard, hams, which are cured in ice and are in much esteem, dried fish, a small quantity of ambergris, and timber of all kinds. Saw mills might be introduced to advantage for cutting the alerce and other wood into planks. Spars for vessels, shafts and wheels, and even firewood, are also in demand in Lima. The climate is moist and during the months from May to September ships should not resort there on account of the detention to which they may be subjected from the high winds which blow into the harbour of San Carlos. The chief occupation of the Chilotes is fishing, and they make good sailors. General O'Higgins<sup>2</sup> informs me that he received accounts of a quick-silver mine in the island.

*Concepción.* The harbour is commodious and safe from not being exposed like that of Valparaiso to the violent northerly winds which prevail from May to August; the climate is salubrious, the lands most fertile, and it has been pictured by several as a second Arcadia, but earthquakes are frequent, and the ancient town was destroyed by one in 1751; the rains are heavy in June and October; and the population including that of Valdivia has been nearly extirpated by the Araucanians and by the ruffian Benevides.<sup>3</sup> Concepción certainly, however, affords from its natural advantages a prospect of future

<sup>1</sup> *Supra*, p. 94, n. 3.

<sup>2</sup> Bernardo O'Higgins (1778-1842), son of Viceroy Ambrosio O'Higgins of Peru. Supreme director of Chile, 1817-23. *Supra*, p. 90, n. 2.

<sup>3</sup> Vicente Benavides (1785-1822). Benavides, says Barros Arana, 'attained greater celebrity for his crimes than for his services to the royal cause'. He had become a captain in the royalist forces before Maipú (1818), escaped death miraculously after Maipú, and finally rejoined the royalists in southern Chile, where he carried on a desolating and savage warfare from his headquarters at Arauco. He was captured and executed in 1822. Miller, *Memoirs of General Miller*, i. 246-51; Barros Arana, *Historia general*, xii. 98-102; xiii. 401-38.

commercial benefits, and your appointment of a consul<sup>1</sup> will not only be the means of forming the ground-work of several plans, but also of checking many wild schemes which are projecting, such as the establishment of docks and arsenals, when these Republics have no funds, and when ships can be purchased cheaper in Europe and in the United States; of a whale fishery, when since La Peyrouse's time<sup>2</sup> the sperme whales have emigrated to the Japan Seas; or of an Irish colony for promoting agriculture and commerce, and restoring the population. On this latter plan I hazard a few remarks, as from conversations which I have had with General O'Higgins on the subject I find that both he and the Chilean chargé d'affaires have been offering various encouragements to Irishmen to settle there.<sup>3</sup>

The lands which the Chilean government contemplates to make over to adventurers will, I fear, be proved not to be in its gift, since they are situated to the south of the river Biobio, the right to which the Araucanians claim by a treaty in 1773.<sup>4</sup> This hardy and warlike race were engaged in constant hostility with the Spaniards; their jealousy of foreigners has been often demonstrated; their savage habits defeat all amicable arrangements of any duration;

<sup>1</sup> Henry William Rouse, who had been appointed a vice-consul for Chile on 10 Oct. 1823, became Consul at Concepción on 18 Jan. 1827. F.O. 16/6. He was transferred to Valparaíso in 1837. He did not retire till 1870.

<sup>2</sup> Jean-François de Galaup, comte de la Pérouse (1741-88), French navigator. Pérouse's expedition in search of the northwest passage and for the exploration of the Pacific reached Concepción in 1786 and Botany Bay in Jan. 1788. No more was heard of it till Captain Peter Dillon discovered its wreckage on an island near the New Hebrides. P. Dillon, *Narrative and successful result of a voyage in the South Seas . . . to ascertain the actual fate of La Pérouse's expedition* . . . (2 vols., London, 1829).

<sup>3</sup> On O'Higgins' plans for emigration to Chile, see Barros Arana, *Historia general*, xiii. 590-2; xiv. 529-30. Under the directorship of Freire a colonization contract was concluded in London in 1825 between the Chilean representative, Mariano Egaña, and Richard Gurney and Antonio Quiroga, whereby a considerable settlement of Irish peasants was to be made on lands to the south of the Biobio. The project, however, came to nothing. Interesting evidence of O'Higgins' continued desire for an Irish colonization of southern Chile is found in his letter to Capt. Coghlan, Lima, 20 Aug. 1831, F.O. 16/16, enclosing a 'Comparative Sketch of the natural and other advantages possessed by the United States and Chile respectively for constituting a maritime power of the first class in the new world'.

<sup>4</sup> The lands in question were not perfectly in the possession of the Government, and were exposed to Indian attack. Spanish settlements were for the most part restricted to the north of the Biobio by necessity. For the negotiations with the Araucanians in 1773-4 see Barros Arana, *Historia general*, vi. 343-50.

and their power was such as to lead Spain latterly to consider the declaration of their independence as the wisest policy. Dutchmen and others who attempted to settle in the country were murdered by them<sup>1</sup>; their present ferocity, if not their courage, is equal to that of their ancestors; the Chileans have not adopted any measures to secure their goodwill, as Spain often did by presents, etc.; and their habits are opposed to the new institutions. The barrier of the brave Irish against this savage horde, and the sort of commitment of Great Britain to give a protection to the settlers, would undoubtedly be a very desirable object for the Chile government; but the poor Irish peasant will not find the climate superior to that of his own native land, and though struck at first with the novelty of the scenery around him and with the wild luxuriance of nature, he will soon find that he must hold the ploughshare in one hand and the sword in the other to defend his industry and life. The lands offered by General O'Higgins form an estate which was possessed by his father; it is situated between the rivers Biobio and La Lara, 34 leagues from Concepción; and though the lands are free from the objection of being claimed by the Araucanians, they are exposed to their ravaging incursions; the plan of a settlement, therefore, involves serious disappointment and personal risk, until the government of Chile is fixed and stable, until it has established laws and regulations to preserve order among the settlers, and until it can retain a sufficient force to guard the country of Concepción from a recurrence of those horrors and the devastation which have been inflicted on it by the Araucanians. The cultivation of the soil must, I apprehend, be left for years to the exclusive management of the native population, and their industry may be excited by the government. Wheat might be produced in abundance, and great advantage derived by the exportation of the flour to Peru; the introduction of grinding mills would, therefore, be very desirable, as also of saw mills; casks for the flour could be made from the cedar, and other timber would prove a valuable export. The rearing of horned cattle and hogs would answer well, as the several products from them would sell in Lima, whilst the hides would be sent to Europe; and fisheries for seals and cod off Juan Fernandez merit attention.

The present exports are wheat, jerked beef, hides, tallow, a small

<sup>1</sup> A reference to the expedition of Hendrik Brouwer in 1643 and the attempted Dutch settlement in Valdivia. The Indians did not prove to be the loyal allies the invaders had hoped. Barros Arana, *op. cit.*, iv. 378-89.

quantity of wine, wool, dried fruits, a small species of cocoa nut, salt fish, and pulse. The salsola plant is in abundance; coal has been found, but as an export its quality and the quantity remain to be ascertained; and gold is found near Talcahuano and in Araucania. The imports consist of sugar, salt, and tobacco, and European goods of various kinds, of which those adapted to barter with the Araucanians are white and blue coarse flannels, cottons, bridle bits, knives, axes, hatchets, buttons, glass beads, etc.

*Valparaiso.* I do not, of course, propose to offer many remarks in respect to the commerce of Valparaiso, nor of the ports of Coquimbo, etc., as you will necessarily receive better information from the Consul General of Chile.<sup>1</sup> What I have to notice is desirable for the purpose of enabling me to draw those results on the trade generally of the Pacific which will place in one view before you the extent and importance of it. I have in a preceding part of this report spoken of the trade of Peru with Chile, and I am satisfied that when these countries recover from the disasters inflicted on them by the revolutionary wars, the products of Chile of wheat, jerked beef, tallow, and sundries will equal the returns she formerly obtained from Peru of sugar, coffee, rice, salt, and cotton. Molina states that the value of gold and silver produced in 1780 was four millions of dollars<sup>2</sup>; it included probably supplies from Upper Peru, since the amount for Chile proper Baron Humboldt averages at 2 millions,<sup>3</sup> and the major part gold: of late years the products have been much less, but taking into consideration the number of Europeans engaged in mining speculations, and that some success will attend their exertions, though it cannot speedily be to any great extent for the reasons explained in my mining report, I calculate the average value of the precious metals for the ensuing 3 or 4 years at 1,500,000 dollars. On this supposition the amount of exports may be reckoned as follows, including Coquimbo etc. :—

Gold and silver	Dollars 1,500,000
Copper from Copiapó, etc.	950,000
Hides, seal, and chunchilla skins	150,000
	<hr/>
Total, dollars	2,600,000

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<sup>1</sup> *Supra*, no. V.

<sup>2</sup> Abbé Don J. Ignatius Molina, *The geographical, natural, and civil history of Chili* (2 vols., London, 1809). Molina states that the quantity of gold dug annually in Chile, and paying the royal fifth, did not amount to less than four million dollars (i. 94). He had left Chile in 1767.

<sup>3</sup> \$2,060,000. *Essai politique*, ii. 611, 633. Cf. *supra*, p. 96, n. 1.



The value of the exports of wheat and sundries may be taken as a set off for yerba maté, wine, and dried fruits from Mendoza, for the supplies mentioned from Peru, and for cacao from Guayaquil. Mr. Nugent states the imports from Europe and the United States to average 6,670,000 dollars, of which those from Great Britain amounted to 4,750,000.<sup>1</sup> This great excess beyond the value of the exports I cannot wholly account for, but it may in part be attributed to goods received in deposit for Arica and Arequipa, to some remaining on hand, and to deliveries on credit. The British merchants resident in Chile have, however, carried on their concerns more advantageously than those in Peru; the respective houses are connected with each other; the more saleable articles were retained in Chile; and the balance sent to Lima where the stock has accumulated. The debts due to the merchants in Chile are comparatively less, amounting to about one million of dollars, whilst the duties actually paid are much lower; the government rates are on cotton goods 27 per cent., on silks and cloths 15, on spirits, etc., 40,<sup>2</sup> but by management in regard to the valuation of the articles, by using the name of a native consignee who is charged 10 per cent. less than a foreigner, and by paying in paper which now bears a discount of 33 per cent., the duty does not average above 15 per cent.

When the trade of the Pacific is better understood, and placed on a more regular footing, no shipments of goods will be made from Valparaiso to Arica; but for the present this system will continue, and two other circumstances will also cause the imports at Valparaiso to be more than they otherwise would be, viz. the excess of goods on hand in Lima, and the prospect of a vent at Mendoza. The demand there for European goods, and the prices, have necessarily augmented since the blockade of the Rio de la Plata<sup>3</sup>; but great circumspection should be observed in conducting the trade, in order to avoid the growing evil in these countries of the accumulation of debts on long credits. Buenos Aires has never had any disposable supply of the precious metals; the projected plans for working the mines have not answered better, I believe, than those of Chile and Peru, and the value of money has risen

<sup>1</sup> *Supra*, p. 93.

<sup>2</sup> *Supra*, pp. 103 ff.

<sup>3</sup> See *supra*, p. 87, n. 1. Brazil declared war on Argentina in Dec. 1825, and proceeded to blockade the River Plate. The Argentine fleet, however, under the command of Admiral Brown, brilliantly defeated the Brazilian naval forces. Levene, *History of Argentina*, pp. 380-1. Peace was not finally made till 1828.

enormously, one ounce of 17 dollars being worth 51 dollars of the government notes: hence the staple article, hides, can be the only return to our merchants in Chile, and though their price is considerably reduced, the charges of transportation across the Cordillera will be heavy. At this moment the trade will answer, as the cost of a hide at Mendoza is stated at the very depreciated rate of one dollar, and the mule conveyance at  $1\frac{1}{2}$  dollars, amounting to less than half of the ordinary cost of a hide at Buenos Aires. These rates will, however, rise with the demand; the hides will be exposed to injury in the carriage; and the freight to England will be high compared with that from Buenos Aires. Although there may thus be a temporary increase of imports at Valparaiso, the cause will cease with the removal of the blockade of the Rio de la Plata; and taking, therefore, the usual returns of exports at the amount which I have estimated, I calculate on its distribution as follows:

<i>United States.</i>	<i>France</i>	<i>Netherlands and Germany.</i>	<i>East Indies and China.</i>	<i>Great Britain.</i>	<i>Total.</i>
500,000	400,000	200,000	550,000	950,000	2,600,000
			say of copper, and half for goods im- ported by the North Americans and half by British subjects.		

*Cobija.* In my report No. 8 respecting the Republic of Bolivia,<sup>1</sup> I adverted to the intention of that government to render its port of Cobija available for commercial purposes by constructing a road to Potosí, and by making canals for bringing a supply of water from a distance of fifteen leagues. I have since learnt that the engineer officer who was deputed there has reported the very great difficulty of the undertaking on account of the natural obstacles and of the want of laborers to carry on the work. I question much, therefore, whether the project will succeed; at all events a considerable time must elapse ere it could be accomplished. The supplies, consequently, of European goods to Bolivia will continue to be principally forwarded by the present channels of Buenos Aires, of Arica, and of Arequipa, although attempts are projecting for conveying some to Cobija and across the desert of Atacama (in extent 40 leagues) as the rate of duty is only 7 per cent., and as mules from that part of the country are cheap and in abundance.

<sup>1</sup> *Infra*, no. VII.

*Arica and Arequipa.* I speak of Arica and Arequipa together as the trade of both places is chiefly connected with Bolivia, and as the foreign merchants who conduct it are the same individuals, though they reside at present at Arequipa. During the latter period of the Spaniards the trade of Arequipa was monopolized by a Spanish merchant, Cotero,<sup>1</sup> owing to his influence with the Viceroy La Serna<sup>2</sup>; and the consequence of the high prices which he charged on his goods was that the merchants of Buenos Aires were enabled to supply the articles required in Upper Peru at a cheaper rate. Since the trade has been declared free, and the port of Arica has been opened,<sup>3</sup> the demand for European goods has been considerable, and has latterly still further increased by the blockade of the Rio de la Plata. Mr. Passmore, the British Consul, has addressed you generally on the commercial transactions of Arequipa<sup>4</sup>; but I regret to add that all the evils which I have enumerated relative to the trade of Lima, as arising out of the overstocking of the market, the accumulation of debts in consequence of long credits,

<sup>1</sup> Till after the battle of Ayacucho the trade of Arequipa had been 'a complete monopoly', resting 'in the hands of an individual of the name of Cotera, an old Spaniard, who acquired this ascendancy through his intimacy with the Viceroy La Serna'. Passmore to Canning, 29 Sept. 1825 (no. 3), F.O. 61/5. Through the influence of this individual, Arica, formerly a port of entry for Upper Peru, had been closed in favour of Quilca, which was 90 miles from Arequipa, and connected to it by a mule track, where the port was an open roadstead, and where there was no storage accommodation. Here Cotera was the principal consignee. Yet in 1824-5 two million dollars worth of European goods were there introduced for the supply of Cuzco and Upper Peru, and in 1825 between \$450,000-\$480,000 of British goods. In 1825 specie to the amount of a million dollars was exported from Quilca, as well as a considerable amount of smuggled *plata piña*. Rowcroft, Memo on Arequipa, 18 Sept. 1824, F.O. 61/3; Passmore to Planta, 31 March 1825; to Canning, 29 Sept. 1825, F.O. 61/5.

<sup>2</sup> José de la Serna e Hinojosa (1770-1832), the last Spanish viceroy of Peru. Le Serna replaced Viceroy Pezuela who was forced to resign as a result of a *motín militar* on 29 Jan. 1821. He was captured at the battle of Ayacucho on 9 Dec. 1824.

<sup>3</sup> Arica was declared a free port by decree of 22 Jan. 1825, and rose rapidly in importance. Passmore to Canning, 29 Sept. 1825, F.O. 61/5. In the *Reglamento* of 6 June 1826 the port of Islay, a few miles to the south of Quilca, was substituted for the older port.

<sup>4</sup> Passmore to Canning, Arequipa, 29 Sept. 1825 (no. 3), F.O. 61/5. The more relevant information in this despatch has been incorporated in previous notes. Udney Passmore, a former Foreign Office clerk, accompanied Rowcroft to Peru as a vice-consul, was appointed acting-consul at Arequipa in 1824 and consul on 15 Feb. 1825. He retained the office till 1 April 1837 when the consulate was abolished.

and the competition of the United States, France, etc., may be considered to be applicable both to Arequipa and to Arica. The merchandize which is landed at Arica is forwarded to Tacna, which has an advantage over Arequipa from its proximity to the marts of La Paz, Oruro, Cochabamba, etc., but as Tacna is a poor village and without facilities for selling goods in large quantities, owing to the distance at which the capitalists reside, our merchants have hitherto effected their sales more readily at Arequipa, which accounts for their remaining in that city. The articles in demand and their sale prices <sup>1</sup> correspond with those described for the Lima market ; and from the best information which I can collect, I reckon that for the ensuing three or four years, the returns of the precious metals from Bolivia for the imports which she receives will average about two millions of dollars, to which may be added the value of her exports of tin, wool, bark, and gums, amounting to 300,000 dollars, or total 2,300,000 dollars. This sum may be distributed as follows :

<i>United States</i>	<i>France.</i>	<i>Netherlands, etc.</i>	<i>E. India etc.</i>	<i>Great Britain.</i>	<i>Total.</i>
300,000	700,000	200,000	200,000	900,000	2,300,000
			brought by the United States.		

Exclusively of the above-mentioned amount Arequipa exports a part of the precious metals produced by the mines of Puno and Lampa, but this I have accounted for under the general returns from Peru. The outstanding debts due to the British merchants at Arica and Arequipa I calculate at about 2 millions of dollars. The port to port trade chiefly consists of dried fruits from Chile ; of aguardiente from Pisco ; of cacao, rice, timber and planks from Guayaquil ; and of indigo from Guatemala.

Three causes may tend to increase our commerce to these two ports. First, the interruption of supplies from Buenos Aires to Bolivia on account of the blockade of the Rio de la Plata ; and the probability of that course of the trade not being renewed in consequence of the growing jealousy and animosity between those two States,<sup>2</sup> which may occasion the government of Bolivia to throw obstacles in the way of it, as also to favor the Arica merchants in

<sup>1</sup> ' Articles of cutlery, glass, hard and earthenware, are generally sold from 70 to 100 per cent. above the invoice cost, and are always in much request.' Passmore to Canning, 29 Sept. 1825, F.O. 61/5.

<sup>2</sup> *Supra*, p. 171, n. 3. The question whether the frontier province of Tarija and the district of Atacama belonged to Argentina or to Bolivia tended to strain relations between the two States.

proportion as the political connection between it and Peru becomes more closely drawn. Secondly, the prospect of improvement in the working of the mines in Bolivia, and in obtaining returns of gold from the lavaderos or washings of the sands of the river Tipuani, etc., through the means of British skill and industry, as noticed in my mining report No. 19.<sup>1</sup> And thirdly, an augmentation of the exports of wool, barks, gums, etc., since there is no part of Peru which offers so many productions suited to commercial purposes as the country below La Paz, which is intersected by the many streams which form the river Beni.

From notes made by an intelligent German, a Mr. Creutzer, who was deputed thither for mercantile objects, and also by one of the resident missionaries<sup>2</sup> in the village of Huanaí which was founded in 1803, I learn that the lands abound in verdure, and that the mountains are covered with thick forests which contain all that is most precious in the vegetable and animal kingdoms, such as cacao, cascarilla, ginger, coffee, guiacum, sassafras, tamarind, cinnamon, nutmeg, campeachy wood, ebony, balsam, copaiba, camphor, dragon's blood, assafoetida, and many other aromatic and useful plants; gums, resins, and dyewoods; vanilla, tobacco, sarsaparilla, higuerilla (castor oil), indigo, cotton, coca, storax, elastic gum, etc. Specimens of most of these articles I have seen, and am satisfied that with attention the major part of them would answer for exportation to Europe. Unfortunately though the climate is salubrious the population is scanty, not exceeding 300 persons in Huanaí, and the missionaries have not heretofore succeeded in their endeavours to incline them to labor; the chase and fishing have superior attractions, as quadrupeds, amphibious animals, birds, and fishes of various kinds, invite them to the constant exercise of their bows and arrows, their hooks, and their nets. From the junction of the rivers Mapirí and Beni commence the immense plains of the centre of South America which extend from west to east as far as Brazil, and from south to north from the Paraguay to the Marañon and Amazons, many parts of which, particularly towards Mojos, are very swampy. It is asserted that the Beni is tributary to a still more abundant river called Mamoré, which

<sup>1</sup> 'The rich valley of Tipuani near La Paz is held by different proprietors, and a person collected gold in one morning to the value of 70,000 dollars.' Ricketts to Canning, 16 Sept 1826 (no 19), F.O. 61/8 The proprietors in question seem to have been Messrs. Cochrane, Robertson and Co., and Messrs. Begg and Co. of Lima J. B. Pentland to Ricketts, 2 Dec. 1827, F.O. 61/12.

<sup>2</sup> Franciscans

traverses the province of Mojos, and that this latter is so to the Marañón.<sup>1</sup> I shall hope, however, to be able to send you a correct map of the course of these rivers, as facilities may offer for transporting many of the products of this part of Bolivia to Grand Pará, the port at the mouth of the Amazons. Besides the strips of land along the bed of the Tipuani, at Teoponte, etc., which have been purchased by several British merchants on account of the lavaderos,<sup>2</sup> it is generally imagined that in the tributary rivers Challana and Coroico, and in the Mapirí itself,<sup>3</sup> larger deposits of gold will be found before their waters arrive at so considerable a descent, and at places relatively speaking level, as at Teoponte, etc. The immediate drawback to these commercial prospects is a want of population. In Teoponte there is none; that of Mochani is 130 souls; thence to the village of Reyes is a navigation of six days and the number of inhabitants only amounts to 1,000. The vast territory intermediate between Huanáí and Mochani<sup>4</sup> and thence to Reyes is wholly unpeopled; whilst the few aborigines in Huanáí, etc., obtaining what they require from the soil without effort, are disinclined to work. A botanist, Dr. Tadeo Hæncke,<sup>5</sup> was sent by the Spanish government to make scientific researches in this interesting region, but the information which he conveyed has hitherto been withheld from the public. A vein of quicksilver has recently been discovered in the hills of Carquisa near the village of Guarina, about 12 leagues from La Paz; but on this, as well as on other mines, and on other commercial objects, I shall submit further information on Mr. Pentland's<sup>6</sup> return from his tour in Bolivia.

<sup>1</sup> The waters of the Beni and Mamoré mingle to form the Madeira which flows into the Amazon below Manaos.

<sup>2</sup> *Supra*, p. 175, n. 1.

<sup>3</sup> The Tipuani, Challana and Coroico all join the Mapirí, itself a tributary of the Beni.

<sup>4</sup> Huanay and Muchanes.

<sup>5</sup> Tadeo Haenke, naturalist and botanist, born at Kreibitz in Bohemia in 1761, came to Peru in 1790 in connection with the scientific expedition of Alejandro Malaspina, and died at Cochabamba in 1817. His '*Memoria sobre los ríos navegables que fluyen al Marañón, procedentes de las cordilleras del Bajo y Alto Perú*' (1799), and other writings, are printed in M. V. Ballvian y P. Kramer, eds., *Tadeo Haenke, Escritos* (La Paz, 1898). The *Memoria* is translated in the *Journal* of the Royal Geographical Society of London, v. (1835), pp. 90-9.

<sup>6</sup> Joseph Barclay Pentland (1797-1873), was sent to Bolivia by Ricketts for scientific and general purposes. *Infra*, p. 224. His report, dated 2 Dec. 1827, occupies almost the whole of a large folio volume, F.O. 61/12, and is of great interest. Pentland is said by the *Dictionary of national biography*, quite incorrectly, to have been accompanied on this expedition by Woodbine Parish. He was consul-general for Bolivia from 1836-9.

I do not in this place notice the situation and duties of the consul at Arequipa, because I shall have to speak separately on this subject in consequence of a representation which has been made to me by Mr. Passmore.

*Pisco.* I have already, under the head of exports, spoken of the quantity of aguardiente or brandy, formerly and now produced here. It is preserved in earthen jars of 18 gallons, of a conical shape, and coated with a species of naphtha. The manure which renders the vines extraordinarily luxuriant is obtained from the Chinicha isles <sup>1</sup> at the entrance of the bay, and is the excrement of a black sea-gull, the Huanay (hence termed Huano), which accumulates in great quantities as no rain falls there. From the muscatel-grape a spirit called italia is made, which is much esteemed for its high flavor, but a very small quantity is produced. In the environs dates, olives, and figs abound, and the cultivation of sugar was once carried on to a considerable extent; on one estate alone when General San Martin landed with the expedition from Chile,<sup>2</sup> 1,200 slaves were employed in its manufacture; the number is now reduced to 300 and these principally aged persons and children. So much indeed has the population been diminished by the late war that the cultivation of the vine and sugar cane is not more than one fourth of what it formerly was.

*Cañete.* This port is about 20 leagues north of Pisco; the valley is extensive; rich in pasture for cattle; and is seldom without water for irrigation; seven or eight estates were cultivated with the sugar cane, averaging 400 slaves each, but at present Montalban, the property of General O'Higgins,<sup>3</sup> is alone in a thriving state. It was given to him for his services by General San Martin; the slaves were therefore protected from impressment, and the General is making many improvements on it by the introduction of our system of farming, of steam-engines for the manufacture of sugar, etc.

The trade of Lima I have already reviewed.

*Huacho.* The salinas or plains of salt are 3 leagues from Huacho; the stratum of salt is covered with a bed of sand, and is from 8 to 12 inches thick; it is marked out into square pieces with an axe, and

<sup>1</sup> The Guano deposits on the Chincha islands were long a fertile source of revenue for Peru. Eight million tons were taken from these islands between 1853 and 1872. C. R. Markham, *A history of Peru* (Chicago, 1892), p. 486.

<sup>2</sup> 8 Sept. 1820. *Supra*, p. 107, n. 2

<sup>3</sup> *Supra*, p. 167, n. 2; p. 90, n. 2. O'Higgins lived on his estate at Montalban for many years, dying at Lima in 1842.

a bar of iron is then introduced under the salt to turn the squares over to dry. Beneath the solid salt the ground is soft and watery, and after 3 years the salt is again in a state to be cut. From this small plain which is not more than 5 miles square, a supply of salt estimated at 8,000 tons has been annually extracted for mining purposes and for the consumption of the greater part of the inhabitants of Peru and Chile. The sugar cane is cultivated in the valley, and it was once famed for its breed of horned cattle and pigs, but a yoke of ordinary oxen now sells for 180 dollars. At Huarás<sup>1</sup> large quantities of European goods are sent for the supply of the neighbouring provinces.

*Casma and Guarney.* In the environs of these two ports the growth of cotton is increasing, and it has already formed a remittance to Europe.

*Santa.* The river at the mouth of the port is difficult to pass during 3 or 4 months of the year; the valley is extremely productive in cotton, rice, and sugar; and one of the principal estates (San Jacinto) has recently been purchased by some British subjects for the purpose of extending the cultivation of those articles.

*Trujillo.* The port of Huanchaco is about 2 leagues from Trujillo; the landing is incommodious and unsafe during the full and change of the moon, from the violence of the surf. The government has some intention of changing the port to Malabrigo, distant 13 leagues from the town along a level road; the harbour is good; wood, water, and provisions readily procured; and all that is required for the secure landing of goods is a raft and strong hawser across the river Chicama. Trujillo is a walled city like Lima, and once contained 40,000 souls; the number however is now reduced to 8,000; and the finest lands particularly about Cajamarca, capable of yielding every tropical product, are to be rented or purchased for a mere trifle, owing to the scarcity of laborers and of cattle. The ancient city of Grand Chiman mentioned by Garcilaso<sup>2</sup> lies between Huanchaco and Bolivar. A brisk trade has been carried on here by British and North American merchants, and there are several silver mines in the vicinity. For aiding the objects of British subjects engaged in them, and for the promotion of our commerce here and at Lambayeque, it may be advisable, when

<sup>1</sup> Huaura.

<sup>2</sup> Garcilaso de la Vega (1539-1616), author of the celebrated *Comentarios reales . . . de los Yncas . . .* (Lisbon, 1609-17). The reference is to the Chimu ruins in the valley of the Moche.



Peru is recognized, for an agent to be appointed at Trujillo by the consul-general; I venture to suggest this, as a fit person might be found among the British merchants resident there to undertake the duty; a small salary of say £250 a year would be sufficient, considering that this would be a bonus in addition to his other pursuits, and the extent of the trade is disproportionate to the expense of a vice-consul. Superadded to which is the fact that a dependence on the services of individuals is very precarious in these countries, where the climate generally is so prejudicial to the European constitution.

*Pacasmayo.* From San Pedro and the neighbourhood, rice, Indian corn, and pulse are exported to Lima, Pisco, and Valparaiso.

*Lambayeque.* The valley is the most extensive on the coast, and the population has suffered less on account of the distance from the capital. The number of inhabitants is computed at 25,000, of which there are not above 150 white persons. Peru and Chile derive thence the greater part of their supplies of rice, sugar and tobacco; bark, cotton, vicuña, and sheep's wool, and hides are also exported. Large quantities of soap are manufactured; the alkali is obtained from the salsola, and goats, which are in extensive flocks, furnish the tallow; their skins are tanned with the barks of the huarango and the algarroba, and are of an excellent quality called cordovanes. Tocuyos and other coarse cotton cloths are manufactured, also straw hats and mats. European goods sell well, and the trade is increasing.

*Paita.* The port is commodious and the anchorage good, but the country around is a sandy desert: 14 leagues distant is the town of Piura, and this district forms the frontier boundary between Peru and Columbia. Its population is about 80,000 partly whites, sambos, and Indians; the annual imports amount to about 300,000 dollars and the returns are cattle, cotton, and Peruvian bark, for the superiority of which latter article the mountains of Loja on its north east frontier have long been celebrated. Gold and iron mines have been discovered in the same range of hills, and coal, it is said, is also to be met with in the province. Paita was formerly the principal port of entry for merchandise imported into Peru from the great fair of Portobello, and from Manilla and Acapulco<sup>1</sup>; and since foreign vessels have navigated these seas, it has been the principal resort of the British and North American whalers for the purpose of obtaining supplies, for which its central situation and

<sup>1</sup> *Supra*, p. 28, n. 2; *infra*, p. 236, n. 1; p. 332, n. 1.

commodious port are admirably adapted. Should the injudicious law imposed by the Columbian government obliging all vessels that enter the port of Guayaquil to land their cargoes and pay a transit duty of  $2\frac{1}{2}$  per cent., as hereafter noticed,<sup>1</sup> be persisted in, it is probable from the proximity of the port of Paita, and its advantages, that it will become the centre of the East India and China trade on this coast. With reference to this, to the encouragement of our trade, and to the whalers resorting here, I submit the expediency of an agent being hereafter appointed at Paita, corresponding with the arrangement proposed at Trujillo. Contraband trade is carried on here very extensively, and furnishes a melancholy proof of the erroneous principles of the commercial regulations and of the vicious manner in which they are administered. The principal officers of the port and of the customs are parties concerned, and it is very prejudicial to British trade, as North American and German manufactures are chiefly introduced clandestinely. Several British subjects are engaged in the cultivation of cotton in the district of Piura, and it may become an export both to China and to Europe.

Most of the products at the different ports are received by British merchants in exchange for their goods, as I have before stated that the coast trade is chiefly in their hands. The only mode of conveying merchandize into the interior is by the means of mules; but I have been unable to ascertain the total annual amount of European articles and of those from North America conveyed into the respective districts; the quantity transported from Lima to the two provinces of Huaylas and Tarma alone is estimated at 8,000 mule loads of 10 or 12 arrobas each load, or about 2,200,000 pounds weight. These supplies are likely to be augmented since foreigners are settling in the interior, the prices of the articles are lowering, the natives are acquiring a taste for them, and as British industry is already engaged in the cultivation of cotton, etc., in the larger vallies of Santa, Trujillo, etc., where there is abundance of water for irrigation. In the smaller vallies no increase of produce can, however, be reckoned on, considering that the arable lands seldom extend more than from 3 to 5 leagues from the coast towards the mountains, and that the water is already consumed in the present cultivation. Goods are dispatched throughout the year, and during the rainy season in the mountainous districts, viz: from November to April, they are so well secured in skins that they are seldom injured, and robberies occur very rarely.

<sup>1</sup> *Infra*, p. 243, n. 1.

Exclusively of the tropical productions noticed there are several others indigenous to Peru, particularly along the banks of the Marañon near Huanuco in south latitude 10.57, which, when this country becomes more settled and some attention is paid to the roads, will partly be brought to the coast for exportation, whilst a vent for them also offers by the river Amazon to Grand Pará, in Brazil. The articles are :—

*Coffee.* Two sorts are equal to that of Brazil, and a third kind much resembles the mocha bean.

*Cacao.* In great abundance and of excellent quality.

*Coca leaf.* It resembles that of the tea plant, and is much used by the natives, particularly by the miners and by those who perform long journies. The plant grows in many parts of the Sierra, and the quantity annually sold in the environs of Huanuco amounts to 400,000 dollars

*Indigo.* The plant is very luxuriant, but from the musters of indigo which I have seen the quality is indifferent; a respectable native merchant, however, is about to introduce the East India method of manufacturing it, and there is every prospect of his success.

*Cochineal.* The insect and the opuntia plant are of the proper species, and the samples of the articles shew that attention alone is wanting in the preparation of it. Besides the above mentioned products, cotton, hemp, sugar cane, and the tobacco plant, grow wild and are of a superior quality. Each article is to be bought cheap at the place of growth, but the cost of a mule cargo from Huanuco to Lima, a distance of only 60 leagues, amounts to 25 dollars, owing to the paucity of mules and to the badness of the roads which require the load to be limited to about 225 pounds.

Until the conveyance to the Pacific is cheaper, therefore, the articles will not answer as an export; but the trade in them by the Amazon will I think be found advantageous. Monsieur de la Condamine<sup>1</sup> published an account of his descent of that river; he proceeded from Cuenca, a town of Quito, and went in a raft down the Rio Pante<sup>2</sup> to its junction with the Marañon; and embarked in a canoe at Pongo de Manseriche. The communication, however, from Peru is by the river Huallaga; it issues with the name of Huanuco in south latitude 10.57 from the lake of Chiquiacoba in the plains of Bombon. By a report of a voyage made by an intelligent missionary, which is published in the *Mercurio Peruano*,<sup>3</sup>

<sup>1</sup> Charles Marie La Condamine (1701-74), was one of the party of French savants who reached Quito in 1736 for the purpose of measuring an arc of the meridian at the equator. For his descent of the Amazon see his *Relation abrégée d'un voyage fait dans l'intérieur de l'Amérique Méridionale* . . . (Paris, 1745).

<sup>2</sup> Río Pante.

<sup>3</sup> 'Peregrinación por el Río Huallaga hasta la laguna de la gran Cocama, hecha por el Padre Predicador Apostólico Fray Manuel Sobrevela en el año pasado de 1790', *Mercurio Peruano*, ii. 226-44. The Huallaga rises in the region of Cerro de Pasco. Geographical knowledge of the region described

it appears that this river is navigable in lat. 9.55 S., and though at first hazardous from falls and rapids, it soon becomes tranquil in its course, with many islets, and receiving a great accumulation of water from small rivers. Near the town de Valle there are two difficult passages; and it changes the name of Huanuco to Huallaga after being joined by the river Huayabamba which is half a mile broad and a fathom deep; in 7.10 the Huallaga throws off four branches, and at the point where it disembogues, it flows gently to the north through an immense and fertile territory which it overflows to the extent of 3 or 5 miles in breadth, pursuing its course by the province of Maynas; and in 5.4 it falls in with the Amazon,<sup>1</sup> forming a gulph at the junction half a league in breadth and 28 fathoms deep. The course of the Huallaga is stated to be through an extensive plain covered with trees, with many lakes, and not a hill to be seen for some hundreds of leagues; and the navigation to the Amazon may be accelerated by proceeding from the Pampa del Sacramento in lat. 6.33, along the river Chipurana which flows into the Ucayali river.<sup>2</sup>

There are 22 Indian towns established on the banks of the Huallaga; the population is estimated at 9,000; and the inhabitants are peaceable and civilizing under the superintendence of 19 rectors with a Superior.<sup>3</sup>

In proof of the probable success of the trade by this route, I beg to observe that there are two natives of old Spain resident in Peru, who prior to the revolution made two or three voyages to Grand Pará, and gained a considerable profit on the articles which they conveyed, and which consisted of the products of the country in the environs of Huanuco and some plata piña. Their voyage to that port was performed in 24 days from the Playa Grande, which is 25 leagues from Huanuco. The canoes which they employed carried each about 8,000 pounds weight; and they stopped at Pevas, the last of the Spanish missions, and also at San Pedro, the first of the

below still remains partial and incomplete. I have corrected obvious slips in Ricketts' transcription of place names from the *Mercurio Peruano*.

<sup>1</sup> Marañón.

<sup>2</sup> The provisional survey for *The International 1:1,000,000 Map* shows no direct connection between the sources of the Chipurana and the affluents of the Ucayali.

<sup>3</sup> *Mercurio Peruano*, ii. 240. Originally these were Jesuit missions. See P. Francisco de Figueroa, *Relación de las misiones de la Compañía de Jesus en el País de los Maynas* (Madrid, 1904). On the expulsion of the Jesuits in 1767 their place was taken by the Franciscans and then by secular clergy.

Portuguese, in their descent. This latter town was founded by the missionary Fritz in 1689 when he was engaged in completing the chart of the Amazon, and which was engraved at Quito in 1710;<sup>1</sup> a copy I am endeavouring to obtain for you, but it is difficult to be met with as the Spaniards in their jealous fears subsequently suppressed the publication. Whether a contraband trade in plata piña is now carried on from Peru along the Amazon to Grand Pará, I have no means of ascertaining; but the fact, as also the amount, could be ascertained from your consul at that port; it is certain that formerly a considerable sum, the produce of the mines of Cajamarca near Trujillo, of Hualgayoc, and of Pasco, was conveyed by that channel; and that the plata piña was purchased for 4½ dollars per mark at the mines, and was sold for 8 dollars at Grand Pará, whence it was transported to Lisbon. This profit and that expected on the indigo, cochineal, etc., have caused some merchants to prosecute inquiries with a view to commercial speculations, whether by the river Beni, as noticed under the head of Arequipa, or as above explained, by the river Huallaga. Besides these channels, another offers for the productions of Peru by the river Ucayali or Apurimac.

The navigation of the Ucayali<sup>2</sup> would appear to be more difficult than that of the two other rivers above named, on account of the impetuosity of its course. The name of Apurimac is given to it at its source in lat. 16 S. It flows first rapidly towards the east, then west, and leaving the province of Cusco, passes Abancay. Near this town it is no longer fordable, and a swinging bridge has been constructed, two leagues from which the Apurimac forces a passage through the Andes, and several rivers which flow from the heights of Huancavelica fall into it to the west. From the confluence of the Perene in lat. 11.18, to that of Pachitea in lat. 8.26, forty rivers from the east empty themselves into it; the two largest of which are the Paucartambo,<sup>3</sup> and the other is generally called

<sup>1</sup> Samuel Fritz (1654-1724), Jesuit missionary, celebrated for his work in the Upper Amazon. His map of the Marañon was published at Quito in 1707, and is printed in G. Edmundson's edition of the *Journal of the travels and labours of Father Samuel Fritz* . . . (Hakluyt Society, 2nd Series, vol. li. London, 1922).

<sup>2</sup> 'Peregrinación por los Ríos Marañon y Ucayali á los Pueblos de *Manoa*, hecha por el Padre Predicador Apostólico Fray Narciso Gurbal y Barceló, en el año pasado de 1790', *Mercurio Peruano*, iii. 49-66.

<sup>3</sup> The Urubamba, of which the Paucartambo or Yavero is a tributary, is the only stream of great size entering the river in this region.

the *Beni* ; it may be a branch of it, though from the account which I have given of the course of this river, the probability is that the main branch runs in an opposite direction into the river Mamoré and thence into the Madeira.<sup>1</sup> The junction of these two rivers, however, with the Apurimac propels it against the mountains with such impetuosity as to cause it to change its course suddenly towards the north west, when after being augmented by the waters of the Pachitea, it is given the name of Ucayali. It subsequently receives several tributary streams, and forming a considerable bay near the town of San Regis, it falls into the Amazon in 4.45. The town of Omaguas is situated close to this confluence, and the distance from it to the Huallaga river is computed to be 70 leagues.

Along the country where the Apurimac changes its name to Ucayali are immense forests which yield gums and barks of various kinds, and the trees grow to so large a size that canoes are constructed of one piece, from 50 to 60 feet in length, and from 4 to 5 feet in breadth ; but from the want of skill and proper implements, the natives are said to be employed nearly a whole year in forming one canoe. The products of cotton, vicuña wool, etc., which may suit as exports, can only be contemplated as available at some distant day ; for though the climate is favourable and the lands extremely fertile, the population is so scanty that it is only sufficient to cultivate the articles of subsistence. The boundaries of the Peruvian and Brazilian territory on the Amazon are at Tefé in latitude 3° 30' south, and longitude 63° 20' west.<sup>2</sup>

*Guayaquil.* The only articles of any importance, exported to Europe from Guayaquil are, cacao, and bark ; besides these the products of the adjacent country consist of timber, coffee, cotton, tobacco, bark for tanning, and of small quantities of vanilla, gum copal, sarsaparilla, sassafras, pita or grass thread, hemp, straw hats, caracolillo or cotton thread dyed blue from the liquid of the shellfish turbines called caracol, and a little cochineal at Ambato. In my review of the exports from Callao de Lima, I have spoken of the commerce of Guayaquil with that port ; Chile and San Blas also receive small supplies of cacao from Guayaquil ; and a trifling trade is carried on between it and Panamá.<sup>3</sup>

The goods imported from Europe and North America correspond with those imported into Lima, and the annual amount is estimated

<sup>1</sup> The Beni is unconnected with the Ucayali system.

<sup>2</sup> The boundary is actually more than five degrees further west.

<sup>3</sup> *Infra*, pp. 241-2.

by the late Mr. Wood during the last two or three years at about £300,000,<sup>1</sup> which is considerably more than the returns, including the exchange, for products consumed in Peru, etc.; consequently the surplus must still remain due from the merchants of Guayaquil, Quito, etc. China goods have met with a ready sale and have heretofore yielded the largest profit; this branch of trade has been entirely engrossed by the North Americans; and this will continue unless an amelioration takes place in the existing transit duty. The law regarding it constitutes an exclusion from Guayaquil to British ships importing direct from India and China, since though the proportion of goods for the port may be small, the whole cargo is required to be landed, and is subjected to a payment of 2½ per cent., besides risk and injury, and the expense of landing and re-embarking. Hence, as I have observed the port of Paita may become the rendezvous of ships from India and China.<sup>2</sup>

The cacao exported to Europe is generally carried to Gibraltar, and the amount may be reckoned at 350,000 dollars per annum; this exportation is not likely to be increased since the quality is inferior to that from the Caraccas; whilst the produce from that province generally exceeds the demand for it, now that Spain cannot make any payments in specie, as her supplies of wine, oil, etc., can only be received in England to a limited extent, and as their importation into Columbia is prohibited.<sup>3</sup> Add to the above mentioned amount some small quantities of bark, and a little vanilla, etc., and the total annual exports to Europe may be assumed at 450,000 dollars, of which the share to British merchants is not above 200,000 dollars.

Some plans are projecting at this port for the encouragement of ship building, but I do not think that they can answer as the price of labor is very high, and as the place during nearly half the year is very unhealthy. Some British subjects are engaged in establishing saw mills at the port of Esmeraldas, and the speculation will probably succeed on account of the high price which every description of wood bears in Lima. The road from this port to Quito is improving, and when the country becomes more settled, it is probable that the mines in the environs of that province may again be rendered productive.

*Panamá.* From 1812 to 1823 large consignments of goods were

<sup>1</sup> *Infra*, p. 226, n. 1; and p. 240.

<sup>2</sup> *Supra*, p. 180; *infra*, pp. 243-4.

<sup>3</sup> Decree of 20 Jan. 1823. *Infra*, p. 246, n. 2.

sent from Jamaica via Panamá ; the charges on the importation at Chagres were 35 per cent. ; the cost of a mule load of six arrobas weight 6 dollars ; the export duty at Panamá 3 per cent. ; and the freight per bale to the value of 300 dollars, from 30 to 35 dollars. The merchandize was conveyed to the different ports along the Pacific, and a part even found its way from San Blas to the capital of Mexico. Owing, however, to the high rate of duty charged at that port, and to an alcabala duty exacted at every place the goods passed through, an advance gained even at Guadalajara of 180 per cent. on the Jamaica prices barely covered the outlay.<sup>1</sup> I have already expressed my sentiments on the projected channels between the Atlantic and Pacific ; and admitting that the communication across the isthmus is facilitated by making a good road, and that the several duties and charges are reduced, still the expenses will be great ; there will be risk, injury, and delays in the transport of the goods ; and they will be commonly subjected to a triple shipment, viz: from England to Jamaica, thence to Chagres, and from Panamá to the respective ports, in vessels under the flag of the country with a high premium of insurance ; all which disadvantages will ultimately, I am satisfied, render this trade unable to compete with that round Cape Horn. If a quick correspondence be established by the means of packets as before adverted to, any sudden demand in Chile and Peru for a particular description of goods, could be furnished nearly, if not quite as soon by the route of Cape Horn, as by that of Panamá ; the consignments might certainly be sent more rapidly by the latter route to the ports of Guatemala and Mexico, but in reviewing their exports I shall have to shew that the amount is inconsiderable, whilst the markets there will gradually be found to be overstocked from China and Lima, and our merchants here will have an advantage in the barter of the products of the respective countries. A trifling trade may continue to be carried on between Panamá and Guayaquil, but the only export of any moment to Europe from the latter port, that of cacao, must with any prospect of benefit be conveyed via Cape Horn.

*Realejo, Conchaguas, Libertad, and Sonsonate.* I name the ports of Guatemala together as the observations I have to offer are alike applicable to each.

The products of this country consist of indigo, sugar, cotton, cochineal, cacao, coffee, tobacco, Nicaragua wood, which gives the red dye, balsam copaiba, gums, copal and chiraca, sarsaparilla,

<sup>1</sup> *Infra*, pp. 241-3, 337.



ipecacuanha, vanilla, hides, and tortoise shells. During the years 1790 to 94 when the trade was most flourishing, the annual value of the internal commerce is estimated at 4,500,000 dollars, and the external at 3,500,000; in the former account the manufacture of cotton and woollen cloths is calculated at a million of dollars; and in the latter the produce of tobacco is reckoned at 450,000 dollars, and that of indigo at 1,300,000 pounds weight, of which 1,007,000 pounds were exported by the Atlantic, and 293,000 pounds to Peru and Mexico, including a part for home consumption, the price of the article at the place of manufacture being six reals the pound. Of late years so great has been the falling off of the trade that between the years 1816 and 1822, the average amount of the imports was 1,000,000 dollars which were paid for in indigo to the value of only 300,000 dollars, whilst the balance was chiefly returned in cash; the tobacco grown is barely sufficient for the consumption of the inhabitants, and the home manufactures have been supplanted by foreign goods.<sup>1</sup>

In a pamphlet published in 1823 by Señor Gonzalez,<sup>2</sup> Secretary of the National Consulate, the deplorable state of the country is chiefly ascribed to its connection with foreigners. He mentions that the little demand for indigo has arisen from the knowledge acquired in Guatemala by the English of its mode of manufacture, and from the extraordinary success which has attended the cultivation of the plant in the East Indies; that cotton and woollen goods have been imported although they were not required; and that money which is so essential to the prosperity of the State has been conveyed away, since without the necessary funds the mines cannot be worked, nor cultivation, nor manufactures carried on. He hence presses the importance of Guatemala looking to its own resources, and discouraging foreign supplies. This jealousy and these principles are beginning to operate in its ports in the Pacific, since the demands for foreign goods are now very limited, and the products, generally speaking, are alone obtainable by money; the European articles which answer from time to time are chintzes, glassware, earthenware, hardware, and sweet wine. I have no means of ascertaining the extent of the foreign trade by the Atlantic. I apprehend, however, under the circumstances

<sup>1</sup> Cf. the figures in Thompson, *Narrative of an official visit to Guatemala from Mexico*, pp. 480-9. *Infra*, p. 295.

<sup>2</sup> Miguel González Saravia, *Bosquejo político-estadístico de Nicaragua* (Guatemala, 1824) [?]. I have been unable to see a copy of this pamphlet.

stated that if it be not already greatly diminished, this result is near approaching. The amount of the annual exports from Realejo and the adjacent ports, consisting of indigo, cochineal, Nicaragua wood, balsams, and hides, does not, I believe, exceed 300,000 dollars, of which 100,000 may be received by the French, and the remainder by the British merchants. Trifling as this sum is, the trade merits attention as forming a link of the chain of mercantile adventure which extends from Cape Horn along the Pacific, and as being in some respects susceptible of improvement by gradually embracing that proportion which has heretofore been carried on by Panamá, and by the Atlantic from the port of Omoa.

The obstacles to this trade by the isthmus of Panamá are the inconvenience, expenses, etc., as before noticed; the little encouragement of it from the small demand for goods; the description of those best suited to the market of Realejo, etc., being bulky and of low value; the competition now from Lima; few or no returns obtainable from those ports without money; and one of the chief exports, Nicaragua wood, only answering to be shipped by Cape Horn. With respect to the transportation of goods from the port of Omoa to Guatemala, it will appear that they can be conveyed much cheaper to that city from the Pacific. The merchandize is brought from Omoa in boats either to the town of Gualan, or by the river Dulce to the town of Isabel, and thence taken on mules to Guatemala; the average charge per ton or 2,240 pounds for boat hire is 40 dollars, and the mule carriage 63 dollars, total 103 dollars, whereas the expense from *Sonsonate* does not exceed 40 dollars. Consequently the difference in favor of this port is 63 dollars per ton of goods—a difference which will more than cover that of the freight and insurance between the shipments to the Atlantic and to the Pacific.

*Acapulco, Mansanillo, San Blas, Mazatlán, and Guaymas.* In 1823 considerable quantities of bullion were exported from these ports by the Spaniards who were leaving the country; but lately the shipments have been unimportant, and no other products save a few hides from Guaymas. The British merchants in Lima have heretofore speculated to a very limited amount in this trade, as the small demand for goods continued to be supplied partly by the way of Panamá, and partly by the North Americans on their voyage to Canton, whilst a few ships from Calcutta caused a glut of the products of India and China. Every discouragement was also thrown in the way of foreigners by the high rate of duties and

other obstructions at the respective ports.<sup>1</sup> Many circumstances, however, justify the expectation that the demand for European and China goods will increase; that the trade will gradually fall into the hands of the British merchants trading round Cape Horn; and become daily of more interest to them when viewed in connection with that along this coast. The country of Mexico is advancing in prosperity; the produce of the mines is augmenting through the means of British capital, skill, and industry; a more liberal system in the commercial regulations has commenced<sup>2</sup>; and by recent advices from San Blas many English fabrics would meet a ready sale at favorable prices. The causes of the probable decline of the commerce of Panamá I have explained, as also the means possessed by the British merchants of competing with the North Americans; and goods can be transported into the provinces bordering on the ports of San Blas, etc., on cheaper terms than they could be supplied from Vera Cruz. From inquiries which I have made the difference would appear to stand thus: one ton weight is equal to 90 arrobas, each mule carries 6 arrobas, or 15 mules for the ton weight of goods; the cost of a mule from Vera Cruz to Mexico is not less than 25 dollars, and thence to Guadalajara 35 dollars; or total for the 15 mules of 900 dollars. The cost per mule from San Blas to Guadalajara is 16 dollars, and for 15 mules 240 dollars; consequently the amount in favor of the latter is 660 dollars per ton of goods. From this, however, is to be deducted the higher rate of freight and insurance; and say that both are doubled, the charge in the aggregate will be small contrasted with the saving on the transportation. The British articles best suited to the markets are prints, muslins, madalaporams, and shirtings, jeans and satteens, bed ticken, marseilles quiltings, dresses of all sorts, velveteens, printed handkerchiefs and shawls, thread, woollen second cloths, save-lists, hosiery, sewing silks, buttons, cutlery, and hardware, also scotch linens, creas, sheetings, platillas, britanias, and stripes. I do not reckon for the present the export of the precious metals at more than 800,000 dollars, but the prospect of increase is approaching at the ports of San Blas, Mazatlan, and Guaymas in the Gulph of California; British merchants are consigning goods hence to agents there for gradual introduction into the interior of the country; prompt returns will not be required, but the proceeds will be remitted via Mexico to Europe, and the trade conducted on a regular system.

<sup>1</sup> Cf. *infra*, nos. XV and XVI.

<sup>2</sup> *Infra*, 321-5, 328, n. 2.

*Upper California.* One of the agency houses in Lima is engaged in a regular trade to the ports of Monterey and San Francisco. The European goods in demand by the Indians are cotton ravenes, unbleached cottons, platillas, cotton and linen thread, printed cottons, woollens (blue and black), printed and muslin dresses, colored and muslin handkerchiefs, cotton and woollen stockings, agricultural instruments and carpenters' tools, and beads. The trade, however, is trifling as the exports, consisting of hides, tallow, lard, soap, and a little horsehair, do not exceed in value 200,000 dollars; the half is received by the North Americans, and pursuing their voyage to Canton, they pick up a few furs and otter skins near the Russian frontier.

The population amounts to 14,000 Indians and 3,000 whites descended from the Spaniards, and the country is separated into 21 missions or large farms under the management of priests.<sup>1</sup> The number of horned cattle is reckoned at 200,000, and the annual increase 25 per cent.; and the cost of a bullock 4 to 5 dollars. The natives prefer Indian cottons, nankeens, China crape and silks, to similar articles from Europe.

*East India and China Trade.* I do not discuss the former extensive commerce which was carried on from Manilla and China to Acapulco, etc., because you will no doubt have received a better description of it than I can furnish from your Consul-General at Mexico,<sup>2</sup> and because my immediate object is to point to the expediency of British merchants steadily engaging in this branch of commerce. In the course of the observations which I have submitted in this report I have noticed that the active North American has chiefly benefited by the comparatively limited trade which of late years has been carried on from India and China to this side of the Pacific; and also the prospect of its increase,<sup>3</sup> and of its successful competition with the French in their main staples of silk and satin goods. The British India merchants have heretofore sadly mismanaged this commerce, and heavy losses have been sustained by them from the cargoes being ill assorted, from large consignments made at a time, which suddenly overstocked the market, and from the ignorance of the supercargoes regarding the mode of conducting traffic in the South American ports. I have talked the subject over with the British merchants resident in Chile and Peru, and have explained

<sup>1</sup> See Bancroft, *History of California*, ii. 653-70.

<sup>2</sup> *Infra*, p. 332, n. 1; and p. 336.

<sup>3</sup> *Supra*, pp. 139-41.

that instead of a prolonged voyage from and to India and China, a more ready means offers for supplying this market with the products of those countries, by shipments from the free port of Singapore in the straits of Malacca ; and that British vessels may now legally proceed with cargoes from and to that port and the eastern coast of the Pacific without a license, since the former prohibitory sections 11 and 13 of the 53rd George III cap. 155 have been repealed by acts 4 George IV cap. 41, and cap. 80 sec. 2.<sup>1</sup> The vessels employed should be of small burthen, and laden with an assorted cargo of India and China goods, corresponding with the inclosed list of articles, No. 6,<sup>2</sup> which are in demand by the inhabitants of these countries ; and instead of goods being intrusted to a supercargo who could not be of any use in managing the sale, the vessels should be consigned to an agent at Valparaiso and at Lima with full powers to dispatch them to any of the other ports, even to San Blas, according to the state of the market. The existing obstacle to the trade is the high rate of duties levied at the respective ports. Still the profit derived by the North American is considerable, and hopes may be entertained from what I have stated in this report, of the commercial regulations being ameliorated, and particularly in regard to the duty on sugar, as this article would be important to the India vessel for dead weight. Attention should be directed also to the prevention of fraudulent transactions in this trade by the natives of these countries, since I find that an instance has already occurred : some Chilean merchants purchased an East India built ship, appointed an Englishman as the master, and consigned her to Calcutta as British property ; she obtained there consequently British privileges, and on her return to Valparaiso she hoisted the national flag, and the cargo was accordingly only charged with the reduced rate of duties payable by natives. This vessel, the Stanmore, was subsequently captured by a Spanish privateer, but her release was effected by one of our ships of war, under a mistaken view of the case.

<sup>1</sup> Cf. *supra*, p. 38. Under 53 George III, cap. 155, secs. 11 and 12, British ships could trade to Singapore only if they had a licence from the East India Company. Under 4 George IV, caps. 41 and 80, no such licence was required. Singapore passed into the hands of the East India Company in 1819. On its advantages as a free port cf. *Parl. Papers*, H C. 476 (1821), vii. 5-7. Report [relative to Trade with the East Indies].

<sup>2</sup> 'Observations on East India Products with suitable assortments for, and the current prices of the day in the Lima market.' Not printed.

On the voyage from Sincapore it would be advisable perhaps for ships to pass through the Straits of Sunda, in order to take a supply of rum to Van Diemen's Land, and to obtain flour in return for the Lima market. Wheat has been consigned with advantage to the Cape of Good Hope from Van Diemen's Land, but the article must be converted into flour to succeed here ; there would be no difficulty in introducing in that country the necessary mills ; the flour might be secured in bags, or casks, as wood is abundant ; and I have explained the benefit derived by the North American in furnishing Peru with flour from the United States. On the return voyage besides copper from Chile, and bullion with some other products from Lima, Guayaquil, and the ports of Guatemala and Mexico, a few European articles might be taken to the Sandwich Isles for a cargo of sandal wood which has yielded a good profit in Canton to the North Americans. Large forests of it remain in Owyhee, and though the quality is said to be inferior to that produced on the Malabar coast, it sells in Canton for 8 dollars per pecul, whilst it is obtained on the Island for a mere trifle in barter for European articles of little value.

The amount of the returns made for India and China goods imported into the respective ports from Valparaiso to San Blas may at present be estimated at 1,150,000 dollars, of which the North Americans receive about 625,000 dollars, and the exertion of British industry is requisite to prevent their engrossing the whole. The means of guarding against this I have explained, and as British mining speculations prosper in Chile, in Peru, and in Mexico, so I am satisfied will the trade from Sincapore prove of importance to British merchants, if prudently and properly conducted.

In order to lay before you in one view the estimated value of the exports from the respective ports along the eastern coast of the Pacific and the amount received by each foreign State in return for their imports, calculating them at the sale prices, I have the honor to inclose to you the statement No. 7<sup>1</sup> To arrive at the conclusions exhibited in it has caused me much trouble, but I believe that they will be found to be tolerably correct. The total amount of the exports is only 10,650,000 dollars, or £2,130,000 sterling, and the proportion estimated to be received by British merchants is 4,425,000 dollars or £885,000, which may fall considerably short of your expectations, considering the large consignments of goods to the Pacific from Great Britain. I have explained my

<sup>1</sup> *Infra*, facing p. 206.

reasons for not hazarding a statement also of the value of the imports, owing chiefly to the difficulty of coming near the truth from the irregularities with which the trade has been conducted, and from the inaccuracy of the books of the several Custom Houses. I have alluded, however, to the heavy balance of goods remaining on hand, and to the accumulation of outstanding debts from the native to British merchants. The knowledge of this will suffice to shew the excessive overtrade to these countries, and future demands for goods may be traced from the exports; since the resources of each to pay for foreign products will sooner or later regulate the extent of the imports. Besides the debts from native merchants, the British interests both in Chile and Peru are deeply involved, on account of loans, claims for contributions, bills returned, and seizures of ships and goods, exclusively of advances on mining adventures many of which will fail. The amount so outstanding in Peru I estimate at about 16,000,000 dollars. I shall have to notice the items composing this large sum in a subsequent report,<sup>1</sup> and apprehend, as already intimated, serious difficulty and perplexity, if not heavy losses, in their adjustment. A statement of the value of exports corresponding with the inclosed from the other new American States, together with an account of the balance of goods remaining unsold, and of the amount of the monied concerns generally of British subjects in each of these countries, might prove a useful document to you for reference, and be a means of checking future imprudent speculations in Mexico and South America.

The result of the preceding observations, and of those submitted in my despatch No. 19<sup>2</sup> will shew, that although the situation of the commerce along the eastern coast of the Pacific has not been improved by the introduction of the boasted freedom which the Republican Governments have bestowed upon it, and although the surplus produce of the countries has been far less than the value of the commodities sent, still, that the productions of Europe and China may be advantageously exchanged for the precious metals; that the prevention of evils similar to those which the British merchant now extensively experiences, rests in his own prudence, since, as the cause of his losses is traceable to the ordinary effects resulting from a new trade, from injudicious speculations, bad management, and an overstock of the markets, so future supplies can now be regulated by his dear bought experience and infor-

<sup>1</sup> *Supra*, p. 129, n. 2.

<sup>2</sup> *Supra*, p. 108, n. 3.

mation; and, that although his confidence has been shaken in these infant States by the fluctuations in commercial regulations, and by narrow prejudices, yet, that as their intercourse with Europe will teach them that no trade can be beneficial longer than as it is reciprocally so, there are fair grounds to presume that they will speedily feel the policy of adopting steady measures for the advantage of both parties. I have likewise explained my reasons for considering that commercial treaties with the Republics of Chile, Bolivia, and Peru, will be the means of guaranteeing the security and protection which the British capitalist requires for the employment of his funds in mining; that under proper superintendence an increase of the produce of the precious metals will be the consequence; and that the fair trader will then no longer be disappointed in a regular return for his goods, while as he benefits so will these countries advance in prosperity. An obstacle to your confirming this decided benefit on these three Republics may perhaps arise out of the peculiar circumstances attendant at present on their political position.<sup>1</sup> The period, therefore, when with reference to their stability and our policy it may be prudent to enter into treaties with them, which are so desirable for our mercantile interests, will depend on your wisdom and decision. The information which you may have sought on this subject from Chile, you will doubtless have received from the consul-general there, and that in regard to Peru and Bolivia I have endeavoured to furnish in my several despatches.

I cannot close this report without apologizing to you for its extreme length, and for the delay in its transmission. My excuse for the former obviously lies in the multiplicity of subjects discussed in it, and in its embracing the extensive view of the commerce carried on from Chiloé to California. The delay will meet your indulgent consideration in advertence to the great difficulties which I have experienced in collecting the necessary materials, to numerous interruptions occasioned by the many duties which have devolved on me, and to my frequent ill health during my residence in Lima. These causes have also contributed to render my report less perfect than I could wish it to have been. It forms, however, a ground-work for obtaining better information, and for establishing

<sup>1</sup> By May 1827 Ricketts despaired of the hope of political stability in Peru; and on his arrival in England he expressed the opinion that there was little utility in continuing the consulate-general. Ricketts to Canning, 11 May 1827 (no. 14); to Dudley, 20 Dec. 1827 (no. 21), F.O. 61/11, 61/12.



those improvements which are requisite for the advancement of British commerce round Cape Horn, and along the eastern coast of the Pacific.

[*Appendices*]

[1.] *Estimated amount of bullion shipped from Lima in British ships of war between the years 1819 and 1825*

1819	Blossom	\$3,000,000
1820	Tyne	3,000,000
"	Hyperion	3,000,000
1821	Andromache	1,500,000
"	Superb	3,000,000
1822	Creole	1,500,000
"	Conway	3,000,000
"	Alacrity	1,500,000
1823	Blossom	2,700,000
1824	Aurora	2,500,000
1825	Tarter	1,200,000
"	Fly	1,000,000
		<hr/>
		\$26,900,000

Besides the above-mentioned sums, large remittances were sent during these years in the United States ships *Macedonian*, *Constellation*, and *Franklin*, some bullion also went in the *Dauntless* sloop of war to India, and some was consigned by English and American merchant vessels.

Up to the early part of the year 1822 the chief exports of silver were in dollars, subsequently about the half was consigned in bars and in *plata piña*.

[2.] *Imports from Great Britain*

All the manufactures of Manchester have been sent to these markets and particularly plain white cottons, or shirtings and calicos, and printed calicos, commonly called plates; but the supply of these articles, as well as of the calicos of Blackburn for the use of printers has been so excessive that they have not yielded the advantage which was reasonably expected from the low cost at which they are produced by the newly invented machinery. Velvetens, satteens, nankeens, quiltings, etc., which are produced by manual labor and of limited supply have had a ready and profitable sale.

The cambric muslins of Preston, Bolton, etc., have come in large quantities, but those which are not still on hand have been sold at ruinous prices from the preference given to Scotch white and colored dresses.

The Rochdale baizes and coatings are used throughout the interior of this continent by the peasantry and partly by the better classes, but as they were supposed to interfere with the native manufactures the Government has lately imposed a prohibitory duty on them. Stuffs have never given a profit; Cassimere shawls at first paid well but the market is now overstocked; woollen clothes also used to sell profitably until the French and German manufactures were introduced, and the stocks on hand are considerable.

Sheffield and Birmingham goods have arrived in comparatively limited supplies, and when well assorted have left a fair profit.

The Nottingham and Leicester manufactures of hosiery and lace have so far exceeded the demand that a heavy loss has been the result of most shipments; and though English silk stockings are greatly preferred to French, yet the price at which the latter are offered is so low, viz. from 8 to 10 dollars the dozen, that I cannot contemplate a favorable return in this commodity.

The Norwich bombazeens and other articles are consumed by the better classes, but are not in much demand.

English llnens, principally from Barnsley, and consisting of ducks, drills, etc., have been sent to this country, but the cheapness of cotton manufactures is a bar to their extensive use.

Earthenware and glass have also arrived in large quantities and when selected with attention have in most instances sold advantageously. The demand still continues, and although the lower price at which German glass can be afforded has secured it a temporary sale, the superior quality of the English manufactures will probably soon command a preference at proportionate prices.

Iron has been sent with various success, but the demand is much more limited than formerly owing to the decline in building. The late importations have been almost wholly made by the mining companies for their own use.

Immense supplies have been exported from Scotland to these countries of nearly every article of its manufacture, and the cotton goods mixed with silk are particularly adapted to the consumption of this continent.

Shawls of muslin, printed shawls, and Paisley worsted shawls have all been sold in large quantities; the prices are now extremely low, not only from the excess of importation, but because the first have met with much competition in the Cassimere shawls of Yorkshire, and French woollen shawls. The last, however, have been injudiciously selected, as the size is too small to envelop the head.

Muslin dresses also have been superabundantly supplied, 40,000 having arrived in one vessel and to one House; but though owing to this circumstance a severe loss must have been entailed upon the shippers, the consumption is so great from the article being suited to the market and this branch of trade not interfered with by other nations, that when the shipments are in proportion to the demand, they cannot fail to ensure a fair profit.

Dresses, printed, which have been sent in almost equal abundance, have been in most cases of a more expensive quality than is required, and have not met a ready sale. In this branch the French and Germans have endeavoured to compete with us, but hitherto unsuccessfully.

Lappets, at the opening of the trade, sold largely and well, but the shipments which have been made would have sufficed a population of ten times the amount of this Republic. Forced sales have been the natural consequence, but as the article has thus found a consumption in remote parts of the country, the demand will probably be permanent. No foreign nation has interfered with this branch of commerce.

Book muslins, Japan sprigs, and other descriptions of muslins have, when the quality has been sufficiently good, answered well; but British exporters have yet to learn the extent of expence to which the females of this country who consume this class of manufactures will go for their dresses. It is a singular fact that the greater part of the French dresses trimmed with gold or

silver, which sell at 15 to 80 dollars each, are made of Scotch book or mull muslin.

Printed handkerchiefs have been largely introduced, but the patterns have been commonly ill selected. They are by no means so saleable in Peru as in Chile, where every gaucho wears one or two of them round his head; but the demand is likely to increase as they are preferred to the Pullicat, Masuliputam, and Madras handkerchiefs which have been hitherto in use. The French make a good article of this class, which, however, has not met a successful sale.

Ginghams are not at present in estimation among the Peruvians; and in Lima the *saya* and *manto* are for the present peculiarly unfavorable to the general use of dresses of this description. But as they are extensively consumed by the Buenos Airesans and little less so by the Chilenians, it seems probable that at no very distant period Peru will also adopt them. The Germans have introduced into the two former countries an article of this class greatly superior both in quality and in colors, but the price will prevent their superseding the British manufacture.

Shirtings, madapolams, etc., or white cottons, have commonly been unproductive like those of Manchester, from the superabundance of supply.

Shoes have been sent from Scotland in extensive shipments to Buenos Aires and Chile, but owing to the existing high duties in Peru the few that have arrived have not paid.

Scotch linens, though imported in moderate quantities, have usually sold low because better goods of German manufacture have been offered at an inferior price.

The cotton manufactures of Ireland may be considered to be in their infancy; and although from this cause as well as from the want of capital the supplies to these countries have been limited, it is to be feared that the large supplies from Manchester and North America must have prevented their realizing a profitable sale. The calico printers of Ireland are, however, improving rapidly, and some of the most favorite patterns in Buenos Aires were of their production.

Irish linens were imported into these countries on the opening of the trade in rather large quantities, and much loss has resulted from them, partly from the heavy expence of transport into the interior, but principally from the interference of those of Germany, which have been introduced and sold at rates only equal to the prices of cotton goods. It is difficult to suppose that the Germans or French can have profited by this trade, and as the lowness of the price has very materially increased the consumption of linen goods, the Irish linen trade, if the bounty be not withdrawn, may be expected shortly to give a more favorable result. Fine linens for shirts, etc., are saleable in small lots, and are preferred to the German and French.

Low linens for bagging may probably soon be sent to advantage, as the daily increasing value of the hides of this country will render it an object for the farmer to apply this article to many purposes for which the hide is now used.

[Here follows a list of the prices of British manufactured goods in Lima on 1 November 1826.]

[3.] *Commercial Code of Peru, 6 June 1826*<sup>1</sup>

## Administration of Finance

The Council of Government considering that commerce, as one of the primary fountains of the prosperity and wealth of States should be animated by protecting and favoring laws, so that the freedom which is granted to it, or the restrictions to which it is subjected, may be the most efficacious means of promoting the national industry in all its branches, and of improving at the same time the receipts of the public treasury, has resolved to issue, on the most liberal bases which circumstances have permitted, the following

## Regulation of Commerce

## Section First

## Foreign trade

## Importation

## Article I

The vessels of friendly or neutral nations, whencesoever proceeding, shall have free entry into the *major* ports of Peru, which are for the present, Callao, Islay, Arica, Huanchaco and Payta.

## 2

The Government protects vessels and merchandize which may arrive at the ports of Peru, and their owners are subjected to the observance of the laws of the country as far as regards them.

## 3

Captains or supercargoes, within twenty-four hours after their vessels being anchored, must present to the Administrator of Customs, in two corresponding copies, the *general* manifest, sworn to and signed, of the whole of the cargo they bring on board, expressing : 1st the name of the captain or supercargo, that of the vessel, whence proceeding, and the number of tons ; 2ndly the packages with their marks, numbers, and the kind of merchandize they contain ; 3rdly in similar form those which come on transit with an account of their destination. The entire manifest must be written clearly, and only in the margin with figures.

## 4

If the manifest be not exhibited by the captain of the vessel within the prescribed time, he will be obliged to make sail for some other port without any excuse.

## 5

In the unloading and other operations of their vessels the captains or supercargoes shall be bound to admit the officers of the guard, the visits of search, and other formalities prescribed by the laws.

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<sup>1</sup> *Supra*, p. 142, n. 1

## 6

The proprietor or consignee, within forty-eight hours of the ship having anchored shall present the *particular* manifest of the entire cargo in two corresponding copies, without abbreviations and with figures in the margin only, expressing in letters the contents of the packages and kind of package ; and if they be grain, their weight, or exact or approximate measure.

## 7

When in any event they are unable to express the contents of any packages, they shall notice it accordingly in the manifest ; in which case the packages shall be brought ashore to be examined and classed by the Inspectors in presence of the Administrator of Customs, or his deputy, or two other authorized individuals of the guard and the whole being entered in the manifest, the packages shall return on board, or be deposited in warehouses.

## 8

Until the manifest be presented in full detail, no despatch shall be permitted for loading, unloading or transshipment.

## 9

No one who owes duties of instalment which are overdue, either for himself or as surety, shall be allowed to despatch a vessel, until he have satisfied them.

## 10

All the business of the customs must be performed by consignee or owner of the cargo, as responsible for the payment of duties.

## Section Second

## Duties on foreign importation

## Article II

All goods introduced in vessels under a foreign or national flag shall pay for all duty thirty per cent.

## 12

For the levying of the duties indicated, two merchants of known probity and intelligence, and two officers of the customs named by the Minister of Finance, shall form in his presence every six months a rate adjusted to the actual prices of the market. This document subscribed by them and approved by the Government, shall be published as a supplement to one of their official papers ; and shall be the invariable rule for the valuations of the invoices which shall be presented in all the Custom Houses of the Republic.

## 13

Whatever article at the time of its examination in the Custom House shall appear in larger quantity than that expressed in the manifest or invoice, if its value do not exceed three per cent. compared with the whole, shall pay for this double duties ; but if it exceed it the excess shall be confiscated, even though the articles be such as do not incur duties.

## I4

If in the examination and comparison of the goods which appear in the manifest or invoices, deficiencies shall be noticed, the respective duties shall be levied as though they had really come and were present.

## I5

If at the time of the goods declared in the manifest or invoice being examined by the Inspectors it should result that they are different in their quality or kind, they shall fall under confiscation, after a careful examination of the goods.

## Section Third

## Freedom from duties on importation

## Article I6

The following articles shall be free of all duty of introduction, whatever be the flag of the vessel.

1. Gold and silver in bullion or coin.
2. Quicksilver.
3. Every instrument of husbandry and mining.
4. Every article of war except gunpowder.
5. All kinds of scientific and surgical instruments.
6. All kinds of machines useful for agriculture and the arts.
7. Printing-presses and their adjuncts.
8. All implements for fishing.
9. All printed books not adverse to morality, nor the principal and direct object of which is to attack the religion of the State.
10. Engravings, loose or stitched, of the elements of painting, sculpture, and agriculture and models of designs of the several arts which serve for instruction, provided they do not oppose religion nor morality.
11. Music, printed or manuscript.
12. Seeds of plants, or plants which have already taken root.
13. Flax and hemp, dressed and undressed.
14. Dried and salted fish, if imported in vessels of the State; and if in foreign it shall pay the established duties.

## I7

The sales of foreign or national vessels, effected in the ports of the State in favor of citizens and natives, are also free of all duty.

## I8

Vessels employed in fishing, if belonging to citizens and natives of the nation, are also free of tonnage and anchorage duties.

## Section Fourth

## Augmentation of duties on foreign importation

## Article 19

A duty of eighty per cent. is imposed upon the following articles, as prejudicial to the agriculture and industry of the State.

1. Spirituous liquors of all kinds, whatever be their denomination.
2. Soaps.
3. Hats of all kinds.
4. Ready-made clothes, white and colored.
5. Shoes and boots.
6. Gunpowder, saltpetre and sulphur.
7. Horse-shoes.
8. Sugar.
9. Tocuyos (coarse cotton clothes).
10. Coarse woollens corresponding with the bayetas and bayetones (baizes, flannels, etc.) of the country.
11. Tobacco.
12. Salad oil and hogs-lard.
13. Tanned hides.
14. Saddles and other manufactures of saddlery.
15. Wax and tallow candles.
16. Tables, sofas, drawers, chairs, couches, calashes and bedsteads.

## 20

The payment of the duties on importation shall be made in the following manner. As soon as the merchant proceeds to remove the cargo from the Custom House to his warehouses, he shall give three promissory notes of equal amounts, the sum total of which equals the value of the import duties which he owes:—the first of them at forty days date; the second at one hundred and twenty and the third at one hundred and eighty. The Government receives and pays away these documents for their intrinsic value and gives all the protection of the laws to the last holder of them.

## 21

When the merchandizes suffer any detriment the same shall be testified by the proper officers for its due rectification, the fact being stated in the permits of removal from the port to the Custom House in order that both this and any other damage which may be noticed when the goods are examined by the Inspectors for delivery to the party interested may be duly noted and estimated.

## 22

Goods which enter the warehouses of the Custom House shall be free of all charge for the first quarter of a year, and liable to a charge of one real per month for each package during the second quarter; but after this term the charge shall be increased to four reals per package on all that remain until their entire removal.

## 23

Articles imported with destination to other points shall remain deposited in separate warehouses, subject to the conditions prescribed in the preceding article.

## 24

The Administrator of Customs is authorized to issue by himself despatches for discharging and transshipping.

## 25

He is likewise authorised to decide on any case of dispute, if the amount do not exceed the sum of one hundred dollars.

## 26

Iron and other bulky articles which it has been customary not to deposit in the Custom House shall continue to be despatched as heretofore.

## 27

Every foreign vessel which shall enter the port with a cargo, or shall receive one afterwards for any destination shall pay an anchorage duty of four reals per ton and national vessels two.

## 28

Whalers and all other vessels which shall anchor in port to water or provision or to repair any damage, shall pay only the anchorage duty.

## 29

For the benefit and encouragement of shopkeepers and retail dealers, every kind of retail sale is prohibited henceforth to warehousekeepers, under the penalty of five hundred dollars applicable to the parties denouncing.

## Section Fifth

## Of re-embarcations and transhipments

## Article 30

Every owner or consignee, whom it shall suit to export the goods which he has introduced may reembark them paying for transit-duty two per cent. on their values, if they be in the Custom House warehouses; but if in the hands of the party interested they shall satisfy the established duties without any favor.

## 31

Transhipments are henceforward prohibited; only in the major ports they shall be permitted in unavoidable cases, with the proviso that the cargo come to the quay, and that after being examined by the administrator or his deputy and the proper individuals of the guard it be transhipped, the subscriber of the cocket (poliza) paying down the duties of transit at one per cent. If after the transshipment of any merchandize, it shall be desired to import it, it shall be liable to the rated duties without reduction of those paid for the transshipment.



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### Section Sixth Of exportation

#### Article 32

Coined silver in whatever vessel exported shall pay for all duty five per cent.

#### 33

Coined gold in whatever vessel exported two per cent.

#### 34

The exportation of silver bullion in lumps (piña) or bars, and that of gold in lumps and dust is absolutely prohibited under penalty of confiscation.

#### 35

Wrought silver and gold are excepted, the permit stating the number of pieces, their weight and the payment of the thirteen per cent. on silver at the valuation of six dollars the mark and of the four per cent. on gold at the valuation of two dollars the castellano.

#### 36

No person shall be allowed to export any sum of money exceeding twenty-five dollars, without having paid the duties, and taken out the corresponding permit, under penalty of confiscation.

#### 37

The other productions of Peru, whether natural or of industry, exported in vessels under a foreign flag, shall pay four per cent. on the valuation of the current prices of the market.

#### 38

The same productions are free of all duty if exported in vessels under the flag of the State of Peru.

#### 39

The export duties specified in the preceding articles, shall be satisfied at the time of exportation.

### Section Seventh. Of the coasting trade

#### Article 40

The coasting trade cannot be carried on except in vessels with the flag of Peru. When there are no national vessels, foreign may be employed, the special license of the Government being previously obtained for this purpose, with audience of the Commander General of Marine, of the Customs, and Consulate.

## 41

This extension shall last for the term of one year only, reckoned from the date, after which it shall be null without the necessity of another decree.

## 42

National vessels are those which are the property of citizens and natives of Peru, registered with the legal formalities in the office of the Commandant General of Marine, and in the Consulate, and of which one half at least of the total number of seamen is composed of natives of Peru.

## 43

For the traffic of the coasting trade, in addition to the major ports those of Ilo, Nasca, Pisco,<sup>1</sup> Huacho, Casma, Pacasmayo are appointed.

## 44

This trade can alone be carried on with productions of Peru and under register, but if they be foreign (productions) they must previously pay the full import duties in the Custom Houses of the major ports whence only shall they be exported under register and a certificate of having paid the duties (documento de solvencia).

## 45

Those who shall contravene any of the requisites of the foregoing articles shall incur the penalty of confiscation of their merchandizes ; and the captains that of losing their vessels.

## 46

The merchant whose goods shall be confiscated, being a native of the country, shall suffer in addition the penalty of banishment, enforced from six months to two years in proportion to the degree and circumstances of his guilt ; and being a foreigner, that of being expelled the country for ever.

## Section Eighth

## Of inland trade

## Article 47

From this day forward the interior Custom Houses are abolished, those only of the coast and frontiers remaining which shall be designated by a special law.

## 48

The six per cent. increase of duties on goods introduced into the interior provinces is in like manner extinguished, and in virtue thereof they may be removed freely from one point to another with the permit of the Custom House whence they proceed, which shall be granted only to natives and citizens of Peru.

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<sup>1</sup> In the actual *Reglamento* the port of Pisco was inadvertently omitted, and was added later. *Registro Oficial de la República Peruana*, 14 June 1826.

## 49

The Prefects, Intendants, and Governors are charged with the inspection of the permits, with which goods must necessarily pass in the interior, being declared responsible for fraudulent importations, if they do not guard against them with the zeal and vigilance incumbent on their office.

## 50

When it shall be necessary in the interior towns to separate from the principal invoices any articles for sale or commission, a copy of them and of the first Custom House permit authorized by the Governor and Notary public or two witnesses, shall be taken out stating the names of the merchants and the motive of this operation ; in order that in no event goods may fail to be inspected, which are transported from one province to another.

## 51

Foreign merchandizes trafficking without the documents prescribed in the foregoing article are subject to the penalty of confiscation, and wholly applicable to the informers and captors.

## 52

The natural productions of Peru, and products of industry, do not incur the duties of alcabala in the places of their production, transport, or consumption, provided the trade in them be carried on with permits of the customs, or of the Intendant or Governor of the place whence they are transmitted ; without which requisite they suffer the penalty of six per cent. duty applicable to the informers.

## 53

The foregoing privilege does not include liquors, which shall continue to pay the established duties ; with the exception of the six per cent. augmentation of values on their introduction into the provinces.

## Section Ninth and Last

## Precautions

## Article 54

Vessels departing from the major or minor ports of Peru must open a register and take out their cockets indispensably.

## 55

The articles of this regulation are not in force as far as they increase the duties on certain goods until eight months after its date, if they proceed from Europe, Asia and North America, and four if from the States of South America.

## 56

The scale of duties which regulates the commerce among the American ports remains in force for the present, with the exception of the productions especially mentioned in article 19.

## 57

The present regulating law abrogates the provisional law of the 28th of September 1821, succeeding explanations, and all laws and decrees which are opposed to it.

## 58

The Minister of State in the Department of Finance is charged with its execution and fulfilment.

Let it be printed, published and circulated to those whom it concerns. Given in the palace of the Supreme Government in Lima, June 6th, 1826, 7th and 5th.<sup>1</sup>

Hipólito Unanue—José Maria de Pando—by order of their Excellencies  
—José de Larrea y Loredó.

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<sup>1</sup> I.e., in the seventh year of independence and the fifth of the Republic

[4.] *Estimate of the export value of the sales of their imports.*

	Indies and China	Great Britain
<i>Chil</i>		
Precious metals, say half gold and half silv		
Copper	550,000	950,000
Hides, seal and chinchilla s	imported by North	
	ans and half by Brit-	
	jects, and payable	
	in copper	
<i>Boliv</i>		
Precious metals, allowing a	200,000	900,000
Products—tin, wool, bark a	y the United States	
<i>Peru</i>		
Precious metals		
Payment of debts by sales	—	1,550,000
Products—bark, cotton, vicu		
<i>Colombia : C</i>		
Products—chiefly cacao for	—	200,000
<i>Guatemala : Re</i>		
Cochineal, indigo, balsams,	—	200,000
parilla, etc.		
<i>Mexico : Acapulco</i>		
Precious metals, etc.	200,000	300,000
	d direct from India	
<i>Californ</i>		
Chiefly hides	—	100,000
	950,000	4,200,000

ne amount received  
North Americans in  
about 200,000—in-  
under the head of  
States

Besides the receipts  
by the British mer-  
chants for India  
and China goods ;  
225,000



## VII. BOLIVIA

[F.O. 61/7.]

Charles Milner Ricketts to George Canning.

No. 8.

British Consulate,  
Lima, 30 May 1826.

I have now the honor to submit to you a report on the newly constituted Republic of Bolivia. I could have wished to have written to you earlier on the subject, but my time has been fully occupied with the current duties of my office, and in preparing my late lengthened despatches to you ; and I was anxious also to wait the issue of several events connected with this republic, for the purpose of enabling me to bring my report before you in a more digested shape for your consideration. The information which I have collected merits your attention, not only from its giving a correct general view of a country which is rising to importance amidst the surrounding states of South America, but from the probability of its interests becoming more united than they even now are with those of Lower Peru.

Bolivia occupies an extent of 350 leagues in length and 300 in breadth. It is bounded on the north and west by Lower Peru, from which it is separated by the river Desaguadero<sup>1</sup> and the Cordillera ; on the south by Salta, one of the provinces of Buenos Ayres ; and on the east by the Brazilian province of Matagrosso. A very small proportion of it, the desert of Atacama, borders on the Pacific, where there is a port called Cobija.

The ancient division of Upper Peru into the six departments of Santa Cruz, La Paz, Chuquisaca or Charcas, Cochabamba, Oruro,

<sup>1</sup> The boundary line ran through Lakes Titicaca and Uinamarca and followed the Desaguadero for a comparatively short distance.

and Potosí, is preserved<sup>1</sup>; and these, excepting the desert of Atacama, form an extremely compact though extensive table-land in the centre of the Andes; its elevation above the sea is consequently great, and some of the highest inhabited points in this continent are to be found in the Cordillera of Porco, of Potosí, and of Apolobamba. The departments are subdivided into provinces, and these into cantons; and the principal towns bear the names of the departments.

The Pilcomayo is the most celebrated river; it rises in the mountains to the north-west of the town of Chuquisaca, and running 80 leagues south-east joins the Paraguay, and is the source<sup>2</sup> of the Rio de la Plata. The Desaguadero rises in the Lake of Titicaca, and running in a southerly direction has formed, since 1819, another lake in which it is lost; it might be rendered navigable from near Arica to that lake,<sup>3</sup> and from thence canals could be constructed to within 12 leagues of Potosí.

The most populous town is Chuquisaca, the present seat of government, which is said to contain 40,000 inhabitants; and the total population is estimated at about 1,200,000 souls; of these, 1/5 are white or descended from European Spaniards, 1/5 of mixed races, and 3/5 aborigines. There are very few Spaniards, and the proportion of negroes is much less than in the neighbouring republics. The number of slaves is inconsiderable and they will be emancipated during the present year.<sup>4</sup>

The early history of Peru states that from the mountains bordering on the Lake of Titicaca sprang Manco Capac, the first Peruvian legislator, who gave the first impulse to the civilization of this

<sup>1</sup> The *audiencia* of Charcas was composed of the four provinces of La Paz, Potosí, Santa Cruz, and Chuquisaca. But to the assembly of July 1825 deputies from five departments—Chuquisaca, Potosí, La Paz, Cochabamba, and Santa Cruz—were summoned; and these departments, by decree of 23 Jan. 1826, were recognised as the territorial divisions of the new republic. Lecuna, *Documentos referentes a la creación de Bolivia*, ii. 11. Oruro was added on 5 Sept. Pinilla, *La creación de Bolivia*, p. 307.

<sup>2</sup> A tributary.

<sup>3</sup> Lake Poopó. I do not know on what evidence Ricketts grounded these singular statements.

<sup>4</sup> J. B. Pentland estimated the population at 1,100,000, of which 200,000 were whites, 800,000 Indians, 100,000 mestizoes and 7,000 negroes. Of these last 4,700 were slaves. See *supra*, p. 176, n. 6. Cf. also Lecuna, *op. cit.*, ii. 225. The first census of Bolivia in 1831, with ingenuous precision, gives 1,083,540. Argüedas, *Historia de Bolivia*, p. 337. Ricketts has confused the population of Chuquisaca with that of La Paz; but Chuquisaca had long been famous as the seat of an *audiencia*, of an archbishopric and of a university.



part of South America. The country was wrested from Atahualpa, the 12th and last Inca, by the Spaniards under Francisco Pizarro after the battle of Cajamarca.<sup>1</sup> The viceroyalty of Peru consisted at first of all the provinces of both Upper and Lower Peru, of Buenos Ayres, of Chile, and of Quito; but on Buenos Ayres becoming a separate viceroyalty, the provinces of Upper Peru were annexed to it, and Quito to that of New Granada, which was also formed at the same period.<sup>2</sup> After the government of Buenos Ayres had shaken off its allegiance to Spain, it sent a force into Upper Peru to proclaim its liberty, but having been foiled in its object by the Spanish forces,<sup>3</sup> the provinces of Upper Peru were attached to the viceroyalty of Lower Peru.

During the early struggles made by Lower Peru to obtain its independence, a large Spanish force was assembled about Cuzco and Arequipa which effectually overawed the revolutionists of Upper Peru. Towards the later part of 1824, however, General Bolívar with the united forces of Colombia and Peru defeated the Viceroy La Serna and General Canterac in the battles of Junín and of Ayacucho,<sup>4</sup> and these successes were speedily followed by the destruction of the remaining Spanish force under General Olañeta.<sup>5</sup>

The Colombian General Sucre,<sup>6</sup> on passing the Desaguadero, issued a proclamation inviting the inhabitants to decide on a form

<sup>1</sup> Atahualpa, last of the independent Incas, was seized by Pizarro in the plaza of Cajamarca on 16 Nov. 1532.

<sup>2</sup> The viceroyalty of La Plata was created in 1776. That of New Granada was first established in 1717, abolished in 1723, and re-established in 1739. The *audiencia* of Charcas, created in 1559, was attached to the viceroyalty of Peru till the foundation of that of La Plata. It returned to Peru after the outbreak of revolution in La Plata in 1810.

<sup>3</sup> Upper Peru, in 1809, was the first scene of revolutionary disturbances in South America, savagely repressed from Peru. It then became a battle ground between the royalists of Peru and the patriots of Buenos Aires. Cf. *supra*, p. 3, n. 3; p. 15, n. 3.

<sup>4</sup> José Canterac (ob. 1835), La Serna's chief-of-staff, was defeated at Junín by Bolívar on 6 Aug. The glory of Ayacucho belongs to Sucre. *Supra*, p. 107, n. 2; p. 173, n. 2.

<sup>5</sup> Pedro Antonio de Olañete (1777[?]-1825), ultra-royalist general, attempted to maintain resistance in Upper Peru, but on 2 April 1825 died of wounds received in fighting against a portion of his own army that had declared for independence.

<sup>6</sup> Antonio José de Sucre (1795-1830), born at Cumaná, is revered not only as the grand marshal of Ayacucho and the real founder of Bolivia, but for his patriotism, integrity, and self-abnegation during a long and distinguished service under Bolívar.

of government, as the country was at length freed from the troops of Spain.<sup>1</sup> This question involved a consideration of whether it was most expedient for the provinces to declare their independence, or to unite themselves to the Republic of Lower Peru or to that of Buenos Ayres. Each had its respective claim to the provinces, as they had, during the rule of Spain, formed alternately a part of the viceroyalties of Peru and of Buenos Ayres. For the last 14 years they had been dependent on the viceregal government of Lima, and the inhabitants of the two countries, their customs, manners, and language, bore a close affinity to each other. On the other hand the former annexation of the provinces to Buenos Ayres, and its early struggles to liberate them, gave a sort of priority of claim to that state. The Congress of Rio de la Plata, however, authorized the executive to send a legation to General Bolivar for the purpose of congratulating him on his successes; of declaring its readiness to forego the claim which the Republic had to the provinces of Upper Peru, and its anxiety that they should enjoy full liberty, by the establishment of such a form of government as was best calculated for the general prosperity of the country<sup>2</sup>; and of proposing to enter into a treaty offensive and defensive with the provinces.

An assembly of the representatives from the six departments having accordingly been convoked,<sup>3</sup> decreed that as the day had at length arrived when the people might openly avow their ardent desires to be emancipated for ever from the oppression of Spain, they had resolved not to incorporate themselves with any of the neighbouring republics, but to unite the provinces into a sovereign state independent of all nations both of the old and new world, and to be governed conformably to such constitution, laws, and authorities, as they should think most conducive to their future welfare as a nation.<sup>4</sup> This declaration was followed by the assembly announcing that the state was named after General Bolivar, 'Republica Bolivia'; that it conferred on his Excellency the title of Protector and of President; that the form of government should be republican, representative, and central; and that General

<sup>1</sup> 9 Feb. 1825. Lecuna, *Documentos*, i. 94.

<sup>2</sup> Decree of 9 May 1825. Lecuna, *Documentos*, i. 202.

<sup>3</sup> The assembly, representing the departments of La Paz, Cochabamba Chuquisaca, Potosí, and Santa Cruz, met at Chuquisaca, on 10 July 1825.

<sup>4</sup> Declaration of Independence of the provinces of Upper Peru, 6 Aug. 1825. Lecuna, *Documentos*, i. 292; B.F.S.P., xiii. 859.

Bolívar should be requested to give to the state a plan of its constitution.<sup>1</sup>

In the month of August 1825, General Bolívar arrived at La Paz,<sup>2</sup> and from that period was considered the chief of the Republic. He organized the country as he passed through it, remedying the evils naturally resulting from the old Spanish colonial laws, rescinding some, and substituting others more analogous to the customs of the country and to the principles which were now professed<sup>3</sup>; he appointed for the management of the executive General Sucre as President, and a Council composed of 5 members of the late assembly; he invited a congress of the nation to meet the following year for the purpose of deliberating on the project of a constitution which he would then, as requested, present to it<sup>4</sup>; and he desired that the consideration of the treaty proposed by Buenos Ayres might be deferred until then, on the grounds that the new Republic had not yet been recognised by Lower Peru, and that if it now engaged in the treaty, the country would be compromised in the war which Buenos Ayres was on the eve of declaring against Brazil.<sup>5</sup>

A recent decree of the government of Peru declares that in virtue of the powers vested in it by the Liberator, the independence of Bolivia is recognised by the Peruvian nation, on the grounds that the late Congress acknowledged the right of the provinces of Upper Peru to erect themselves into an independent state, that Buenos Ayres has likewise recognised the Republic, that the General Assembly of Upper Peru has unanimously resolved to become independent of Spain and of every other power, that it is highly important that the relations between the two Republics should be firmly established, and that the envoy of Upper Peru has officially announced the formation of the Republic and the desire of his Government for the recognition by Lower Peru.<sup>6</sup>

In conformity with the promise made by his Excellency General

<sup>1</sup> Decrees of 11, 15 and 19 Aug. 1825. Lecuna, *Documentos*, i. 304, 307, 315; B.F.S.P., xii. 862. The proposed name for the new state was 'República Bolívar'.

<sup>2</sup> 18 Aug. He remained in Bolivia till Jan. 1826.

<sup>3</sup> For this legislation see Pinilla, *op. cit.*, pp. 250-63; Lecuna, *Documentos*, i. 320-507.

<sup>4</sup> Decrees of 29 Dec 1825. Lecuna, *Documentos*, i. 465-7.

<sup>5</sup> *Supra*, p. 87, n. 1. For the mission of General Alvear and Dr. Díaz Vélez to Bolívar see Lecuna, *Documentos*, i. 508-66; O'Leary, *Bolívar y la emancipación de Sur-América*, ii. 477-508.

<sup>6</sup> Decree of 18 May 1826. Lecuna, *Documentos*, ii. 140.

Bolívar to the Congress of Bolivia, he has completed his project of its constitution, a copy of which I have the honor to enclose.<sup>1</sup> He has despatched it to the Congress assembled at Chuquisaca; and as it will certainly be adopted and acted upon, and as there is a great probability also of its being extended not only to Peru, but eventually to Colombia, it hence appears to me to be necessary to explain the system, and to request your attention to it. I consequently proceed to give a *Sketch of the Constitution*.

The nation is the union of all the Bolivians; it is independent of all foreign domination, and cannot become a patrimony. Great facilities are granted for becoming a citizen of Bolivia.

Government is popular and representative. The sovereignty emanates from the people, and its exercise resides in the power established by this constitution. The supreme power is divided into 4 sections, electoral, legislative, executive, and judicial, which are not to interfere with each other.

1. Electoral power is exercised immediately by all citizens, naming one elector for each ten.<sup>2</sup> This power can never be suspended. In addition to the ordinary faculties of returning the representatives to Congress, the electors are to assemble annually in their respective provinces for the purpose of proposing to the proper authorities, for selection, three persons to fill each of the subordinate offices of the provinces; and of suggesting to the Congress whatever they may think conducive to the public welfare.

2. Legislative power emanates immediately from the electoral bodies named by the people. Its exercise resides in three chambers:—1, of Tribunes; 2, of Senators; 3, of Censors; each chamber to consist of 30<sup>3</sup> members for the first 20 years. They are to assemble annually, without being convoked, on a day to be fixed by the Congress. Their general attributes (the three chambers being united) are to name the first President of the Republic, and to confirm his successors; to approve the Vice-President proposed by the President; to decide whether proceedings ought to be instituted against individuals accused by the Censors; [and] to invest the President, when necessary, with extraordinary powers. The members of the legislative may be named Vice-President or

<sup>1</sup> *Proyecto de constitución para la República Boliviana*, Lima, 1826. B.F.S.P., xiii. 875. The constitution was adopted with slight modifications after some months' discussion. There was one important change. *Infra*, p. 216, n. 2. For the alterations see Lecuna, *Documentos*, ii. 346-55.

<sup>2</sup> Altered to one for each hundred.

<sup>3</sup> Altered to twenty.

Secretaries of State, but cease to belong to their chamber. They cannot be arrested during their deputation, except by order of their respective chamber, unless for capital crimes ; and they are inviolable for the opinions they may give within their chamber in the exercise of their functions. Each legislature lasts for 4 years, and each annual session for 2 months ; all the chambers open and close at the same time ; their sessions are public, except in urgent cases ; and none can be held unless above half the members be present.<sup>1</sup>

**Tribunes—Chamber of.** A Tribune must be a citizen and twenty-five years of age. The Tribune regulates the general financial arrangements of the State, and discusses the policy of war or peace. Its duration is for 4 years, the moiety being renewable every 2 years. The Tribunes may be re-elected.

**Senators—Chamber of.** A Senator must be the same as an elector and thirty-five years of age.<sup>2</sup> The principal attributes of the Senate are :—to form the civil, criminal, commercial and ecclesiastical codes, and code of procedure ; to initiate laws relative to judicial affairs ; to watch over the quick administration of justice ; to repress the infringement of the constitution and laws by the magistrates, judges, and ecclesiastics ; to propose to the Censors, for selection, three persons for each vacancy in the Supreme Tribunal of Justice, in the Archbishoprics, Bishoprics etc ; to approve or reject prefects, etc. ; to select the subordinate administrators of justice ; to regulate the exercise of patronage. Its duration is for 8 years, the moiety renewable every 4. The Senators may be re-elected.

**Censors—Chamber of.** A Censor must be the same as a Senator and forty years of age.<sup>3</sup> The chief duties of this chamber are :—to watch that the Government observe and enforce the constitution, laws and public treaties. The Censors alone can accuse the Vice-President and Secretaries of State before the Senate in cases of treason, etc. If the Senate do not agree with them, the case passes to the Tribunes ; and in every case, when two chambers agree the *national judgement* follows. The 3 chambers are then united and the plurality of votes constitutes the national judgement. If this be against the party accused, he is immediately suspended, and the chambers pass all the documents to the Supreme Tribunal of Justice, which exclusively can try the cause, and its judgement is

<sup>1</sup> Altered to two-thirds.

<sup>2</sup> Altered to thirty.

<sup>3</sup> Altered to thirty-five.

final. The Censors frame the laws of printing, economy, studies, and public instruction; protect the liberty of the press; propose regulations for the advancement of arts and sciences; grant public rewards; decree public honors; and condemn usurpers, traitors etc. The Censors are for life.

Laws—Formation and promulgation of. The Government may present to the chambers projects of laws. The Vice-President and Secretaries of State may attend their sessions and discuss the laws and other affairs, but not vote nor be present at the time of voting. When two chambers are agreed on a law it is addressed to the President for promulgation; but he may object, and in that case the chambers are united and the plurality of votes decides without further discussion.

3. Executive power resides in a President for life and 3 Secretaries of State.

The President must be a citizen and above the age of 30; he must have done important services to the Republic; and possess known talents in the administration of the State. He is the chief of the administration, without responsibility for its acts. If in any way disqualified, [he] is succeeded by the Vice-President, and he by a Council of the 3 Secretaries of State, until the meeting of the legislature. The powers of the President are very nearly those of a monarch in a limited monarchy.

The Vice-President is named by the President and confirmed by [the] Legislature. He must possess the same qualifications as the President, is the chief of the ministry, and responsible with the respective Secretary for the administration.

The Secretaries of State are three in number:—for the Interior and Foreign Relations; Finance; War and Marine. They are appointed by the President and are to form an annual estimate of expenses, and render an account of those of the past year. They must be citizens and 30 years of age.

4. Judicial power. The tribunals of justice exercise no functions but that of applying existing laws.<sup>1</sup> The judges and magistrates hold their offices for life.<sup>2</sup> Justice is administered in the name of the nation. Juries are to be hereafter established in criminal cases. There are three Courts of Appeal:—the Supreme Court, the District Courts, the Town Courts. The Supreme Court tries all high

<sup>1</sup> The article was changed to read 'The faculty of judging belongs exclusively to the tribunals established by the law'.

<sup>2</sup> A mistranslation. The judges were to serve during good behaviour.

offences against the state, and the causes of foreign public functionaries; adjusts differences between the other courts, and between them and the other authorities; receives appeals from the inferior courts, and explains the laws. The District Courts try civil causes, and adjust differences between the subordinate judges of their respective judicial district. The Town Courts try contentious causes, and civil affairs not exceeding the amount of 200 dollars. (N.B. The principles of the Civil 'Code Napoleon' will probably be gradually introduced.)

The departments are governed by prefects; provinces by governors; cantons by corregidores; and under these are placed alcaldes and justices of the peace. They are all excluded from any judicial cognizance whatever.

There is to be a permanent armed force composed of the army of the line, and of a squadron; a national militia in each province; and a military body to prevent contraband trade.

Reform may be made in the constitution after a period of years (to be determined by the Congress) if two-thirds of the members desire it, but the electors must grant special powers.

Civil liberty, individual security and equality before the law, are guaranteed to the citizens by the constitution. All persons may communicate their sentiments verbally or in writing and may publish them without previous censure, but under responsibility to the law. Every Bolivian may remain in the Republic or depart from it, removing his property, but observing the regulations of police. Every house of a Bolivian is an inviolable asylum. Contributions are to be proportionately partitioned, without any exception or privilege whatever. All hereditary offices and privileges are abolished, and also entails; and all property is inalienable.<sup>1</sup> No kind of labor or trade can be prohibited, unless opposed to the public customs, security or health of the Bolivians. Every inventor shall have the property of his discoveries and productions. The constitutional powers cannot suspend the constitution, nor the rights of Bolivians, except in cases and circumstances expressed in the constitution.

This general outline of the constitution of Upper Peru will shew that General Bolivar has carefully studied the character, condition, capacities, and circumstances of the nation, and has framed a constitution founded apparently on the basis of the British con-

<sup>1</sup> A mistranslation. Alienable is meant.

stitution, by securing to the people the enjoyment of all rational and useful liberty but prescribing wise limitations to their entire ascendancy, and obviating any mischievous excess of popular power.<sup>1</sup> Aware of the ignorance and prejudices of the majority of the population, he restricts them from any increased influence in the state, by ordaining the observance of the constitution in its present form for such term of years as the Congress may determine, so as to afford a fair prospect of a competent diffusion of knowledge and experience, and of the consequent gradual decay of existing prejudices, and acquirement of a just sense of their real interests. Hence, too, the form of government, though essentially republican, partakes in some degree of the monarchical, the President possessing most of its powers and not being subject to removal by the caprice of the people, nor responsible for the acts of the government. With the same view also, and the further object of providing against the dangerous predominancy of the coloured population, a sort of aristocracy is formed by the Chamber of Censors; and great encouragement is given to the immigration of foreigners, by the facility with which they may enrol themselves as citizens, and, as no national religion is specified, by the inferred admission of all forms of worship. On this latter point the project of the constitution drawn up by General Bolivar is intentionally silent, in the hope of defeating any debate on the subject, and of evading the intolerant principle of exclusion which at present would be the certain result of its discussion.<sup>2</sup>

It is fortunate for this new republic that it will have for its chief General Sucre. I have spoken of his character in my secret despatch,<sup>3</sup> and he appears to be in all respects peculiarly well qualified for organizing the state, for exciting the industry of the inhabitants, and for disseminating knowledge among them, by the establishment which he has already commenced upon of schools according to the Lancastrian plan in the several towns.

The commercial and financial prospects of the republic are highly flattering, as I shall briefly relate.

The merchandize required for the consumption of Upper Peru has hitherto been introduced principally through the port of Arica,

<sup>1</sup> Cf. V. A. Belaunde, *Bolívar and the political thought of the Spanish American Revolution* (Baltimore, 1938), pp. 231-58.

<sup>2</sup> The congress, however, added an article declaring Roman Catholicism to be the sole religion of the republic.

<sup>3</sup> Ricketts to Canning, 18 Feb. 1826 (Secret), F.O. 61/7. Webster, no. 280.



but a large proportion has also been supplied by Buenos Ayres, and that Government will necessarily exert itself to encourage the trade. With this view a plan has been in agitation for rendering the River Vermejo, which communicates with the Rio de la Plata, navigable to the point nearest to Potosí.<sup>1</sup> It is, however, the policy of General Bolívar to promote the trade by the more ready channel of the Pacific, not only as a means of procuring the articles at a cheaper rate, but for the purpose of exciting greater industry in the inhabitants of these provinces, by throwing the trade into their hands and making them the carriers of the merchandize into the interior. Hence the government of Bolivia recently opened a negotiation with Lower Peru for the purchase of the port of Arica; the offer of a large sum was a temptation to this government, in order to enable it to discharge the heavy debt with which it is encumbered; but the acceptance of it would defeat the great object in view of an union of the two republics, and the reply, therefore, has been that Peru could not forego the considerable advantages which are derived from the trade of Arica.<sup>2</sup> The Government of Bolivia has consequently directed its attention to rendering its only port, Cobija, available for commercial purposes. This port, which by a recent decree of General Sucre is now called Puerto de La Mar,<sup>3</sup> in honor of the late President of Lower Peru, is situated on the border of the desert of Atacama, and from this circumstance, from the smallness of the surrounding population, the badness of the roads, and the want of water, labors at present under heavy disadvantages. These, however, the Government is endeavouring to remedy by offering to settlers certain exemptions and privileges, by improving the old roads and opening new, and by bringing a supply of water from the distance of 15 leagues by means of canals. These improvements would certainly render the port of Cobija of considerable importance to Upper Peru, as it affords a good anchorage and as the Cordillera in its vicinity is comparatively low and of easy passage. Still, the effecting them is an uncertainty and would at all events require time, whilst the possession of Arica would secure all the commercial benefits desired.<sup>4</sup>

Pending the agitation of the plan of uniting the two Republics

<sup>1</sup> *Supra*, pp. 51-2; 173-4.

<sup>2</sup> Arica was the natural port for Upper Peru. *Cf. supra* p. 173, n. 1. The failure to secure it was a grave blow to the new state. *Cf.* Argüedas, *Historia de Bolivia*, pp. 287-95.

<sup>3</sup> Decree of the Liberator, 28 Dec. 1825. Lecuna, *Documentos*, i. 465.

<sup>4</sup> *Supra*, p. 172. *Cf.* Argüedas, *op. cit.*, pp. 292-3.

of Peru as noticed in my despatch No. 2,<sup>1</sup> every inducement will be given to foreign merchants to resort to Cobija; and this intention is already manifested by the tariff which has been published, and of which I enclose a copy.<sup>2</sup> By it, you will observe that an ad valorem duty of 8 per cent. is laid on all importations, the value of the several articles being fixed according to a schedule appended to the decree; that a transit duty of 2 per cent. is established, that an export duty of 2 per cent. is levied on coined gold and silver; and that all other productions of the country are exported free of duty. Lower Peru will speedily feel the effects of this great difference of duties compared with those levied under the regulations in her ports, and will consequently be obliged to reduce the scale.

It is difficult to ascertain what has been heretofore the amount of the imports into Upper Peru, but from the riches of the country, the extent of the population, and the number of large towns, it can scarcely have been less than in Chile or Lower Peru. All articles of European manufacture for which there is a demand in the neighbouring countries will meet a market in Upper Peru; woollens from the nature of the climate must necessarily bear a larger proportion than in the milder regions bordering on the sea, whilst hardware, and especially machinery for the mines and mining implements, will for a long time form articles of extensive import of British manufacture.<sup>3</sup>

The exports of Upper Peru have hitherto been almost entirely confined to the precious metals, the supply of which from the disturbed state of the country has of late years been greatly reduced.<sup>4</sup> It is, however, to be expected from the great number of mines and their known richness that these products will ere

<sup>1</sup> Ricketts to Canning, 25 April 1826 (no. 2), F.O. 61/7. In part printed in Webster, no. 281. *Infra*, p. 223, n. 1.

<sup>2</sup> Decree of 23 Dec. 1825, together with *Reglamento de los aforos para las aduanas de la República Bolivia* . . . printed in *El Peruano Independiente*, 8 April 1826. Lecuna, *Documentos*, i. 461.

<sup>3</sup> J. B. Pentland gives the imports in 1825 as £3,317,678 and in 1826 as \$3,187,036. The exports in 1826 he puts at \$3,613,750. The imports by way of Arica were almost double those from Buenos Aires, and of the foreign goods imported two-thirds were said to be British. Pentland to Ricketts, 2 Dec. 1827, F.O. 61/12. See *supra*, p. 176, n. 6.

<sup>4</sup> Humboldt's estimate of the annual produce of the mines of Upper Peru at the beginning of the nineteenth century was \$4,850,000. *Essai politique*, ii. 611-2, 633. J. B. Pentland estimated \$2,619,918 silver and \$800,000 gold in 1826. Pentland to Ricketts, 2 Dec. 1827, F.O. 61/12.

long surpass their former importance, when the mines are worked on more scientific principles and under improved regulations. The other productions of the country which will hereafter form articles of export are vicuña wools and hats, cotton, *coca*, maté or Paraguay tea, bark, etc., but the difficulty of communication with the coast will for the present confine them to small quantities.

The coca, of which the aborigines chew the leaves as the Asiatics do the pawn leaf and the betel nut, is an important object of interior commerce, not only in Bolivia, but in Lower Peru and in the mountainous provinces of Colombia. Large quantities of it are cultivated in the province of La Paz, whence it is carried into the neighbouring states.

The manufactures of Bolivia are at present confined to coarse cloths, ponchos, and hats, made chiefly of the wool of the vicuña, alpaca, etc.

This general commercial view will shew that when the governments of Peru and Bolivia become more consolidated and establish a just system for the regulation of commerce, every prospect exists of the increase of British trade in this part of South America.

The revenue amounts at present to three millions of dollars,<sup>1</sup> but it is expected to increase to five millions when the country shall have recovered from the excessive contributions to which it has been latterly subjected. The receipts are obtained from taxes on houses, which pay from 2 to 4 per cent. according to their value ; on persons holding warehouses of goods, who pay 5 per cent. ; on articles the produce of the country such as coca, etc., and on trades which pay 2 per cent.<sup>2</sup> ; from the duty of 8 per cent. leviable on foreign imports ; and from 2 per cent. on the exportation of coined money. Silver in its uncoined state has not heretofore been allowed to be exported, but the government derives a profit from the mint at Potosí. The taxes now fall comparatively very light on individuals, as they formerly paid 10 to 30 per cent. besides contributions during the period of war.

In addition to these receipts the Government will possess a considerable fund from the sale of the mines which have devolved to it by a decree of General Bolívar, founded on the mining laws, whereby a mine which has not been worked for 1 year and 1 day is forfeited to the Government.<sup>3</sup> Many mines were thus forfeited

<sup>1</sup> Cf. Sucre to Bolívar, 12 April 1826. Lecuna, *Documentos*, ii. 88.

<sup>2</sup> But see Pinilla, *op. cit.*, pp. 260-3 ; Lecuna, *Documentos*, i. 457.

<sup>3</sup> Decree of 2 Aug. 1825. Lecuna, *Documentos*, i. 276.

during the late revolution, and as all such have become public property they are to be applied to the services of the state. The amount of these mines in Potosí and elsewhere is estimated at 5 millions of dollars; 3 millions have been already offered but refused, and commissioners have been sent to Europe to dispose of them.<sup>1</sup>

The annual expences are calculated not to exceed 2 millions of dollars. In this sum is included the charge of the army amounting to 4,000 men, and of the administration, leaving, consequently, a large excess in the receipts over the actual disbursements.<sup>2</sup>

The public debt only amounts to 1 million of dollars, voted by the General Assembly of Chuquisaca last year to the army, but which is not to be paid until the mines are sold.

Considering the balance which will remain annually beyond the expenditure, and the large amount to be realized from the sale of mines, this new republic is placed in a more favourable financial situation than any one of the republics of Spanish America; a revenue considerably exceeding the expenditure; a large amount in hand; low taxation; a probability of no augmentation of the military force; and a prospect of an improving revenue from the activity of the mines, and from the gradually increasing consumption of foreign merchandize. The executive will consequently have power to apply the excess of the revenue to the public benefit, in making roads through the provinces and to the coast, in improving the port of Cobija, in rendering some of the rivers navigable, and in forming public institutions for learning and education.

The foregoing concise review of the position of the Republic [of] Bolivia will be sufficient to induce you to feel an interest in the advancement of this new state, and I embrace this opportunity of bringing to your consideration the request of his Excellency General Bolívar, that it may possess a share of that liberal system of policy which you have pursued towards the other republics of

<sup>1</sup> Lecuna, *Documentos*, i. 402. The commissioners got no further than Buenos Aires. For an entertaining description of the rush to secure the mines of Potosí see Miller, *Memoirs of General Miller*, ii. 256-8, 272. Cf. also J. Andrews, *Journey from Buenos Ayres, through the provinces of Cordova, Tucuman, and Salta, to Potosí* . . . (2 vols., London, 1827), ii. 104. Much information on the mines of Bolivia will be found in the report of Pentland cited *supra*, p. 176, n. 6. On the fabulous riches of Potosí see Humboldt, *Essai politique*, ii. 612-25.

<sup>2</sup> See the Presupuesto . . . de los Gastos, 1826, in Lecuna, *Documentos*, ii. 91-112. The total expenses are here put at \$1,800,000.

South America. That his attention is especially directed to its welfare is natural, from his having been the ostensible means of its formation, of its organization, and of its enjoyment of a free constitution ; and he is fully sensible that it only wants your protecting hand to confirm its prosperity. His Excellency looks, of course, to its recognition, but he observed that in justice Lower Peru possessed a priority of claim to that benefit. In my despatch no. 2 regarding the situation of that country,<sup>1</sup> and in this report on Bolivia, I have endeavoured to satisfy you that the time is arrived when political relations may safely be entered into with both these republics, since each has announced its determination to remain independent of Spain ; each is in a good condition of military defence, indeed as there is now no Spanish force in South America their security is more decided than when the recognition of Buenos Ayres and Colombia took place ; the Governments are respectable and enjoy the confidence and support of the people ; and the slave trade is abjured. I speak here of *both*, as their interests are inseparable, as General Bolivar does and will exercise for some time an influential authority over both, as shewn in my despatch No. 2, and as the commercial treaty with each may be expected from what he has mentioned to me to correspond and to be founded on the basis of that with Colombia.

I venture, consequently, to express my hope that you will in the first place honor me with the charge of negotiating and concluding a commercial treaty with the Government of Peru, and my confidence that no difficulties could arise about the articles for the security of British interests, from the assurances given to me by his Excellency General Bolivar, and from the persons who are appointed at the head of the administration, as stated in my despatch No. 2, possessing adequate talents to conduct the public affairs. Your instructions will be also requisite respecting the steps to be pursued towards the recognition of Bolivia, and in the event of the two republics becoming hereafter united. On the first point I submit the expediency of your appointing a consul to reside in Bolivia and to act under my directions. I propose this since, as General Bolivar is disposed to meet my suggestions, and as I have already gained useful information on the commercial and general affairs of Peru, I shall have the means of judging of the steps necessary for the consul to take towards securing the objects desired, and of deciding on the place where for the public

<sup>1</sup> Ricketts to Canning, 25 April 1826 (no. 2), F.O. 61/7.

interests it will be most advisable for him to reside. The place to be fixed upon would necessarily depend on the result of the different circumstances to which I have referred ; it may become of importance to him to remain for a while at or near Cobija, or at once to proceed to Chuquisaca, the present seat of government ; or it may be preferable for him to be fixed at Cochabamba, as it is in contemplation to make that the capital : it is more central, it has a ready communication with Arica, its climate is mild, and it has long been the granary of Upper Peru.

The period for considering the terms of a commercial treaty with Bolivia might probably be advantageously protracted until a report shall have been received from the consul regarding the state of the country and its general commercial affairs. It is to be observed, however, that inconveniences may arise from the delay which will consequently ensue ; your receipt of this despatch and the arrival here of the consul with your orders will occupy a twelvemonth ; his preparations for departure from hence, his journey through Upper Peru, and the time required for putting together the information which he will have collected, and my receipt of his report, will embrace nearly another year. Many circumstances may occur in this lengthened interval to induce the expediency of an earlier recognition of this republic, and above all it would be highly desirable to enter in the negotiation prior to the departure of his Excellency General Bolivar from these provinces<sup>1</sup> ; and you may rest assured that I shall not neglect the means which I possess of acquiring in the interim such information regarding the state of the country, which may justify me under your sanction to meet the wish preferred to you by General Bolivar in behalf of this new republic.

The last subject on which I have to request your consideration and on which I seek your further instructions relates to the ultimate union of the two republics. In my secret despatch dated the 18th of February, in my despatch No. 2,<sup>2</sup> and in the present address, I have explained the advantages and disadvantages which would result from the measure to the republics respectively. In a political point of view the object would be alike desirable for both, since united the country would form a counter-balancing power between Colombia and Buenos Ayres ; for commercial purposes the benefit

<sup>1</sup> Bolívar began his journey to Colombia on 3 Sept. 1826.

<sup>2</sup> Ricketts to Canning, 18 Feb., 25 April 1826, F.O. 61/7. Webster, nos. 280, 281.

would be on the side of Bolivia, and on financial considerations Peru would be the gainer. How the question will terminate it is difficult to foresee<sup>1</sup>; but it is important for me to be prepared in the event of its being decided in the affirmative, and there is every prospect of the question being disposed of one way or other in the course of this year. I am hence anxious to be honored with your early orders on the subject. Supposing that the union does not take place, there would be no interruption of the measures to be pursued under the instructions which I have solicited, respecting the recognition separately of the two republics: supposing that an union should occur, prior to such recognition, it would necessarily be suspended; and in the event of the two republics uniting after their separate recognition, no inconvenience to Great Britain is likely to be experienced, since the principles of the two commercial treaties would only remain to be consolidated into one, and they might be separately acted upon pending my reference for your orders for the guidance of my conduct.

I trust that you will not consider me to be premature in thus seeking your early instructions on the points noticed. I am quite satisfied that our commercial interests in Peru require that they should be put on just and fixed principles, and that the numerous evils of the present system demand to be speedily remedied, for the detailed reasons which I hope ere long to be able to transmit to you. I obey the call made on me by his Excellency General Bolívar to endeavour to induce you to confirm those benefits to Peru and to Bolivia which you have secured to the other governments of South America. I am apprehensive if I delayed the reference to you longer, he will have departed from this country ere I could obtain your answer.

I feel all the importance of discussing and of settling the principles of the two commercial treaties with his Excellency, as his experience will prove an useful guide, as his liberal views and friendly feelings towards Great Britain will prompt him to be an impartial judge of the reciprocal benefits to Great Britain and to the two republics, and as he has the ability and power to decide on any doubtful points. And finally, I am convinced, with reference

<sup>1</sup> Bolívar's plans for the union of Peru and Bolivia and also of Colombia in the so-called *Confederación Boliviana* came to nothing. See the description of the plans in Bolívar to Sucre, 12 May 1826, in Vicente Lecuna, *Cartas del Libertador* (10 vols., Caracas, 1929-30), v. 289-95; and O'Leary, *Bolívar y la emancipación de Sur-América*, II. 582-8, 596-8.

to the actual state of the two republics, to the similarity of their objects and interests, and to the non-existence of any political considerations of magnitude, that no question can arise to embarrass me in the prosecution of those measures to which you may be pleased to direct my attention.

Ere I close I have to request your approbation of my intention to depute Mr. J. Pentland to Upper Peru for the purpose of obtaining a knowledge of its natural productions, which may in fact be said to be unknown, as no scientific person has heretofore given any detailed description of them.<sup>1</sup> The objects to which I propose to direct his special attention are :—the determination by astronomical means of the geographical position of the different places, and the construction of a map of the provinces ; the examination of the country geologically, and a description of the extent and capability of the mines, with reference to the advantages of machinery and to the probability of the employment of British capital in working them ; the examination of vegetable and animal productions for the purpose of ascertaining what descriptions of bark, dyewoods, etc., and wool, etc., may answer for exports ; and the collection of objects of interest for the British Museum. In addition to this I shall direct Mr. Pentland to collect particular information regarding the commerce of the respective provinces, and those subjects which may be beneficial to the British interests. As his Excellency General Bolivar is particularly desirous that a scientific person should make a circuit of the country and give a report on the capability of the mines with a view to their valuation and ultimate sale, I propose to embrace the opportunity of his Excellency's next visit to Chuquisaca to send Mr. Pentland thither, proceeding by sea to Arica, and returning by the way of Cuzco, Guamanga, and Pasco to Lima.

P.S. June 1st.

I have just received from his Excellency General Bolivar his message to the Congress of Bolivia on presenting to it his constitution ; and in enclosing a copy I request you to excuse my not accompanying it for want of time with a translation.<sup>2</sup> He gives a concise view of his system, he deprecates the measures pursued by Bonaparte and others in setting themselves up as emperors,

<sup>1</sup> *Supra*, p. 176, n. 6.

<sup>2</sup> 25 May 1826. *Proyecto de constitución para la república de Bolivia y discurso del Libertador*, Lima, 1826. B.F.S.P., xiii. 865.



thinking it desirable to crush the notion which has been entertained that he has imbibed a similar ambition ; and with a view, apparently, to mask that mixed form of government which he judges to be essential for the public good, he endeavours to render the constitution palatable to those who have latterly been accustomed to proclaim liberty without knowing its true value, by speaking strongly in support of the people as the legitimate authority of a nation and of his anxiety to favor democracy, when established on rational principles.

## VIII. COLOMBIA (GUAYAQUIL)

[F.O. 18/37.]

Henry Wood <sup>1</sup> to George Canning.

No. 3.

British Consulate,  
Guayaquil.

28 February 1826.

In compliance with my instructions I have the honour to enclose a general report on the trade of this port. I must beg to express my regret that the state of my health since my arrival at my post in September last has not permitted me earlier to comply with your directions.

### General report on the trade of Guayaquil.<sup>2</sup>

The commerce of the port of Guayaquil notwithstanding political circumstances which have limited the sphere of its operations <sup>a</sup> has long been, and probably will still continue increasing. Assisted now by moderate export and import duties, by permanent laws and institutions <sup>b</sup> which legalize, and treaties which encourage

<sup>a</sup> The war in Peru was chiefly carried on by the forced loans and supplies from the southern provinces of Colombia.

<sup>b</sup> Guayaquil remained under martial law until Sept. 1825.

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<sup>1</sup> There is a duplicate of this report in B.T. 6/39. Henry Wood was appointed consul at Guayaquil on 6 Jan. 1825 and died of dysentery on 9 Aug. 1826.

<sup>2</sup> The presidency of Quito had been variously attached to the viceroyalty of Peru and the viceroyalty of New Granada. On 10 Aug. 1809 a junta was established at Quito in the name of Ferdinand VII, but did not long survive, and after further disorders in 1810-12, violently suppressed by the neighbouring authorities of Peru and New Granada, the presidency remained relatively quiet till 1820 when the invasion of Peru by San Martín from the south, and the victories of Bolívar in the north, precipitated the establishment of a revolutionary junta at Guayaquil on 9 Oct. Guayaquil now declared its

and protect it, it is but reasonable to conclude that the commerce of this port will at least preserve its present state of prosperity. Its future progress must be regulated by the advancement of agriculture, the working of the numerous mines in the surrounding provinces, and the facility which may be afforded for the mutual exchange of the commodities of exportation and importation by the formation of good roads to the interior.

As a commercial station there are few ports which possess such vast natural advantages as Guayaquil. Situated on the bank of a magnificent river of the most easy and secure navigation, surrounded by a country capable of producing an immense quantity of exportable produce, and intersected by numerous minor rivers which serve to facilitate its transportation, this province, if peopled by an industrious and a more extensive population, would become one of the most important and valuable districts of Colombia.<sup>1</sup> To the north and the east are the rich departments of the Equator, and Asuay<sup>2</sup>—districts yielding distinct produce, whose agriculture is productive, and whose mineral riches are probably not to be surpassed by any of the mining districts of Peru or Mexico. These

independence and placed itself under the protection of Bolívar and San Martín. The fundamental law of Colombia, however, of 17 Dec. 1819 (*B.F.S.P.*, ix. 407) had already declared that the old presidency of Quito was a part of the new state of Colombia, and in 1821 Bolívar sent Sucre to the aid of the Guayaquileños who were hard pressed by the royalist forces under General Aymerich. Bolívar's aim was twofold—to defeat the Spaniards and to annex the province. Sucre's victory at Pichincha (24 May 1822), with the aid of troops sent by San Martín, liberated the province of Quito. In June Bolívar himself arrived at Quito and in July occurred his famous interview with San Martín at Guayaquil. (*Supra*, p. 107, n. 2.) The results of that meeting were the retirement of San Martín, the abandonment of his hopes of uniting Guayaquil to Peru, and the triumph of the designs of Bolívar. Colombia had virtually annexed Quito in May; it now annexed Guayaquil in July. But the union so accomplished against the wishes of a large section of the population was destined to last only till 1830, when the modern state of Ecuador came into existence.

<sup>1</sup> According to Restrepo the population of the presidency of Quito in 1810 was 600,000. By reports made in 1821 it was 550,000; and according to the census of Great Colombia in 1825 it was 491,996. That the population had declined seems certain, but none of these figures is more than a rough approximation. The population of the province of Guayaquil is generally given as 90,000. Restrepo, *Historia de la revolución de la república de Colombia*, i. 215; Humboldt, *Personal narrative*, vi. 137-8; O'Leary, *Bolívar y la emancipación de Sur-América*, ii. 556-7.

<sup>2</sup> By law of 25 June 1824 (which reformed that of 8 Oct. 1821) Colombia was divided into twelve departments. Azuay and Ecuador adjoined Guayaquil. *Codificación nacional de todas las leyes de Colombia*, 1. 304.

two neighbouring departments are, moreover, well populated by very industrious inhabitants, who while they might supply Guayaquil with the produce of their more temperate regions, are the principal consumers of its imports. Guayaquil further offers every facility for the repairing and building of ships. Although there are no docks, ships of very considerable burthen may with security be 'hove down' at the river's side and thoroughly repaired. The timber used at Guayaquil for the purposes of ship building is in point of durability perhaps superior to any in the world.

It will thus be seen that the advantages which Guayaquil possesses are wholly the gift of nature. Little has been done by the hand of men to draw forth the resources with which nature has enriched this department; and even the cultivation of those articles of agricultural produce of the first necessity such as sugar, rice, etc., which require some labour, is so neglected, that they are generally imported from the neighbouring ports for the consumption of the department.

The manumission of slaves<sup>1</sup> has very seriously affected the agricultural interest of this province, and many years must pass by before that portion of the population thus suddenly become possessed of its liberty can be made to resume those former habits of industry so productive to the State. I think that in no part of Colombia is the labouring class so vitiated, or is there such a want of moral and industrious habits as in this department; and until this portion of the population increases, and manual labour be thereby reduced to a moderate rate, I do not think any great progress can take place in the agriculture of this department. The prospects of the departments of the Equator and Asuay are far more favourable. These districts are chiefly peopled by Indians of industrious habits, with a rapidly increasing population, productive soil, and more benign climate: they are fast recovering from the injuries sustained by the war, and require only the means of exporting their productions to render them rich and prosperous. These means will soon be afforded since the Colombian Government has fulfilled a pledge given by General Bolivar to Guayaquil 'that the revenue of the salt monopoly of this city (producing annually 51,000 dollars or £10,200) should one year after the expiration of the war, be appropriated to forming roads in the three departments

<sup>1</sup> Children of slaves born after the promulgation of the law were freed by the law of 21 July 1821. The same law provided for the establishment of a fund for the manumission of existing slaves. *Codificación nacional*, 1. 14.

of the Equator, Asuay, and Guayaquil'. This important work was commenced in September last with considerable spirit, and new roads have been laid down, and are in progress from this port to Quito, and Cuenca, in which undertaking the sum of 30,000 dollars (or £6,000) has already been expended.<sup>1</sup>

With respect to the mines of the Equator and Asuay none are at present worked, but the agents of a respectable company formed in England are in treaty to take those which offer the greatest advantages. Many of the mines are extremely rich and offer unusual facilities for working. Nevertheless they have hitherto remained neglected, and almost unnoticed.<sup>2</sup>

I have said thus much of the advantageous situation of Guayaquil more with the view of pointing out what the port is likely to become hereafter than what it now is.

In proceeding to give a general report on the trade of Guayaquil, I beg to be permitted to observe that my short residence here has not enabled me to collect sufficient knowledge of its trade to be confident in my own conclusions, and that I may not lead to error I shall be careful to confirm my statements by such official documents as I have been able to collect. I regret that I have not been able to carry my researches farther back than 1821, as the records of the Custom House and Treasury have not been preserved previous to that period. In 1821 Guayaquil became annexed to Colombia, and since that period its commerce has much increased.

The principal articles of export from the port of Guayaquil are, cocoa, bark, hides (raw and tanned), pita (grass thread), pitch, straw hats, and timber. Of these articles cocoa and bark are of the most value. The cocoa is of inferior quality, and generally commands in Europe about one third the value of Carracas or the Magdalena cocoa. The crop for the last five years may be estimated at 180,000 to 190,000 cargass (of 81 lbs. each) annually, and

<sup>1</sup> Cf. decrees of 25 June 1822 and 18 March 1826, *Codificación nacional*, vii. 94; ii. 225.

<sup>2</sup> A description of the mines of Great Colombia, including the relatively unimportant equatorial provinces, will be found in Henderson to Canning, 12 April 1827 (no. 1), F.O. 18/43, Memoir on the Mines and Precious Metals of Colombia, a comprehensive work of some 365 pages. Humboldt gives the annual average produce of the mints of Bogotá and Popayán from 1789 to 1795 as \$2,094,114, and estimates the total produce at the beginning of the nineteenth century as \$2,990,000. *Essai politique*, ii. 625-33. Henderson gives the annual produce of the two mints from 1795 to 1810 as \$2,141,637, and from 1810 to 1825 as \$1,760,032. He was of opinion that the average quantity produced before 1810 was \$4½ million, and after 1825 \$5½-6 million.

its average price may be stated at 33 reals (or 16/6d.) per carga. The quantity exported has averaged during the last five years 119,000 cargoes or in value £98,175 sterling. Until the last year the duty paid on this article when exported was 12 reals (or 6/-) per carga, yielding a revenue of £35,700. The duty is now reduced to about 4 reals (or 2/-) per carga, and as the difference, or nearly the difference, in the rate of duty will be paid to the agriculturist it may be presumed that a rapid increase in the growth of this article will take place from this cause alone. The shipments of cocoa to Europe (generally to the port of Gibraltar) for two years past have afforded little or no profit to the shipper as the exchange has been so much against the remitter that large investments have been made solely with a view of returning the proceeds of the merchandize imported into Lima and Guayaquil, but as it is said that both Peru and Colombia will be under the necessity of negotiating further loans,<sup>1</sup> and England is the only country these governments can look to for money, we may expect to see the exchange reduced to so low a rate as to deter shipments made solely with the view of remittance, leaving more room for speculation in articles of the growth or produce of this country. The large investments of British capital in the mines, and other speculations of Peru and Colombia,<sup>2</sup> will further tend to reduce the exchange to such rates as will prevent the importer of foreign merchandize from seeking articles of produce or speculation for the return of his funds.

The quantity of bark (called by the general name of Peruvian) cannot be accurately ascertained, but it does not vary materially from 500,000 lbs. per annum, and may be valued at £40,000 sterling. The other articles of export are confined principally to the coast, and amount altogether to £48,788 in value annually.

From this estimate it will be seen that the whole annual exports of Guayaquil are in value £186,963 sterling, to which may be added about £50,000 in the precious metals over and above the amount imported, making together £236,963.

The following tables taken from official documents show the annual exports at the port of Guayaquil during the last five years.

<sup>1</sup> *Supra*, p. 118, n. 1. The first Colombian loan for £2,000,000 was negotiated with Herring, Graham and Powles in 1822 at the price of 84; the second for £4,750,000, at 88½, with B. A. Goldschmidt and Co. in 1824. Goldschmidt and Co., as agents for Colombia, suspended payment of the interest on the loan in 1826, and Barclay, Herring, Richardson and Co., who succeeded Goldschmidts, failed in 1828.

<sup>2</sup> For some of these speculations see *infra*, pp. 269-72.

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**Exports, 1821 -**

[illegible]





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*Exports, 1823*

*Table No. 3. shewing the commodities of export trade, and their value at the port of Guayaquil during the year 1823*

[illegible]



Exports, 1825

[illegible]

*Exports: Summary Recapitulation*

Table No. 6, shewing the annual value of the commodities exported from the port of Guayaquil during the period of five years, namely, from 1821 to 1825 inclusive

Table no. 1.	Total value of commodities exported in 1821	£135,951	7	9
" " 2.	" " " " " " " " 1822	185,754	5	3
" " 3.	" " " " " " " " 1823	221,258	16	9
" " 4.	" " " " " " " " 1824	206,023	0	3
" " 5.	" " " " " " " " 1825	185,827	4	6
Total		£934,814	14	6
Making an annual average of		£186,962	18	10½

The foregoing tables are taken from the records of the Custom House of Guayaquil, and as the true value of the articles exported is notorious, the official valuations may be considered correct.

It will be seen that the value of the exports in 1825 is less than the two preceding years. This decrease was principally caused by the partial failure of the crop of cocoa in 1825.

The imports are so numerous, that to specify each would be to repeat almost every article that necessity requires, or luxury indulges in. During the colonial existence of this country, Spain and her colonies had almost the exclusive trade to it, and a large proportion of the woollen and silk goods consumed here came from Spain, and the cotton goods from the Philippine Islands under the monopoly then held by the Philippine Company.<sup>1</sup> The English and North

<sup>1</sup> There were two Philippine Companies. The first, established by Real Cédula of 29 March 1733, never went into operation. The second, created by Real Cédula of 10 March 1785, incorporated the old Caracas Company which had been founded in 1728 and was now dissolved. The company was given a twenty-five year monopoly of trade between Spain and the Philippines, either directly or by way of the ports of South America. European goods might be carried to South America on the outward passage, but trade in the opposite direction, between Asia and America, was forbidden. The company was also forbidden to interfere with the trade of the Manila galleon between Manila and Acapulco, but it was permitted to re-export to America Asiatic goods which had first been brought to Spain, and this, together with some direct trade to Mexico, seems to have injured the Acapulco trade. (See *infra*, p. 332, n. 1.) In 1793 and 1796 it was given the privilege of direct trade from the Philippines to South America in the event of war, (*D.H.A.*, vii. 37, 117), and in 1803, when its privileges were renewed, it was permitted to send goods to the value of \$500,000 annually from Manila to Lima and other South American ports in time of war. *Ibid.*, vii. 244. It suffered a temporary loss of its monopoly by decree of the Cortes of Spain on 9 Nov. 1820 (*Colección*

Americans doubtless smuggled large quantities of other goods into the small ports on the coast, which much facilitated their more general use when the political changes in Colombia opened her ports to foreign commerce generally.<sup>1</sup> Still the taste of the people is not yet weaned from its former partiality to Spanish goods, and the nearest imitations to Spanish manufactures still maintain a decided preference in this market.

England at present supplies a larger proportion of the goods consumed here than any other country. These goods consist principally of woollen and cotton manufactures such as baizes, broad cloths, casimeres, calicoes, muslins, cambrics, cotton and some linen cloth, and a great variety of other articles, together with glass, china, and hardware.

Germany supplies principally linen goods such as platillas, britannias, listados, estopillas, rouanes, creas, etc.

France and China with silks of all descriptions and the former with wines, and some few printed cotton manufactures which from the bright and showy nature of the colours find a more ready sale than British or American cottons of the same class.

India with some cotton goods such as madapolams, sanas and nankeens.

The United States supply flour, salted provisions, household furniture, and a large proportion of plain cotton goods, and a great variety of smaller miscellaneous articles to a considerable amount. The superior quality of the North American coarse cotton goods such as are termed 'domestics', 'loom shirting', etc., will, I think, soon exclude all others of a similar class from the markets of this coast. Already are the cotton goods of India (the madapolams and sanas) superseded by the domestics of North America.

The import trade of the neighbouring South American states is inconsiderable. Mexico and Peru annually purchase a considerable quantity of cocoa which they pay for partly in specie, and by transshipping foreign manufactures and produce. Peru supplies Guayaquil with a bad species of brandy called 'Pisco'. Chili consumes less cocoa than these two Republics, and in return can supply little but bad wine, and some dried fruits.

*de los decretos y órdenes generales*, vi. 378), and then dragged on a precarious existence till its dissolution in 1834. Azcarraga y Palmero, *La libertad de comercio en las Islas Filipinas*, pp. 114-47; W. L. Schurz, 'The Royal Philippine Company', *H.A.H.R.*, iii (1920), 491-508.

<sup>1</sup> The Congress of Cúcuta, in Sept. 1821, established the first general customs law for the Republic of Colombia. *Codificación nacional*, i. 56.

## Imports

Table No. 7, shewing the official value of the commodities of import trade at the port of Guayaquil for the period of five years, namely, from 1821 to 1825 inclusive

Place from whence the last clearance was granted.	Value of Imports.					
	1821	1822	1823	1824	1825	Total.
From Panama	£4,923 5 6	58,047 0 3	59,555 9 6	54,210 8 9	63,503 18 3	240,240 2 3
Choco	1,456 0 0	1,954 3 3	62 7 6	62 7 6		3,534 18 0
Peru	12,727 10 6	145,720 8 6	173,215 17 6	144,838 12 9	94,600 7 9	571,102 17 0
Chili	13,219 5 3	21,774 15 0	10,167 0 3	15,663 0 3	5,496 0 0	66,320 0 9
Guatemala	450 0 0	9,245 1 9	6,408 8 6	4,136 13 6	12,973 3 6	33,213 7 0
Mexico	5,564 10 3	6,027 18 0	29,377 18 3	27,257 1 6	2,975 3 6	71,202 14 6
Buenos Ayres	3,152 15 3					3,152 15 3
Great Britain	21,010 13 9	41 0 6	46,049 5 9	10,753 11 6	7,979 15 3	85,834 6 9
United States	2,236 18 6	30,000 0 0		2,484 18 6	16,352 3 9	51,076 0 9
France	934 13 0	1,908 10 6		403 19 0	423 19 0	1,762 11 0
Europe		7,029 3 6		3,994 15 6	5,952 11 0	11,855 17 0
India and China	3,691 17 0					10,721 0 6
	£59,369 9 0	281,748 1 3	324,836 7 3	263,805 8 9	210,257 4 9	1,150,016 11 0

## Imports: Summary Recapitulation

Table No. 8, shewing the annual official value of the commodities imported into the port of Guayaquil during the period of five years, namely, from 1821 to 1828 inclusive

Value of imports in the year	1821	1822	1823	1824	1825
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
Total	£69,369 9 0	281,748 1 3	324,836 7 3	263,805 8 9	210,257 4 9
Making an annual average of	£1,150,016 11 0	£230,003 6 2½			

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*Table No. 9, giving the gross return of British and foreign trade at the port of Guayaquil during the half year ending the 31 December 1825*

*Arrived*

Description.	Number of vessels.	Tonnage.	Number of crews.	Official value of cargoes.
English	12	1,542	149	£20,474 10 0
Colombian	32	3,030	255	65,307 18 0
Peruvian	10	750	88	8,153 5 0
Chilenian	6	816	75	8,463 1 0
French	1	175	12	3,567 17 0
United States	11	2,459	134	13,341 12 0
Genoese	2	720	49	4,478 10 0
Mexican	1	70	10	
Guatemala	2	95	19	220 16 0
	77	9,657	791	£124,007 9 0

*Departed*

English	14	2,548	233	£20,503 2 0
Colombian	40	3,798	393	8,105 13 0
Peruvian	6	467	60	2,243 14 0
Chilenian	4	656	46	3,036 5 0
French	2	408	29	2,640 5 0
United States	13	2,959	164	19,364 10 0
Genoese	1	440	40	4,359 6 0
Mexican				
Guatemala	1	60	9	202 5 0
	81	11,336	974	£60,455 0 0

It is difficult to ascertain the accurate value of all these imports as the Customs House valuations are far from correct. The [pre-  
ceding] tables will show the amount of these official valuations during the last five years. As vessels seldom come direct from the country to which they belong, foreign merchandize being generally trans-  
shipped from Chili, Peru, and Mexico to this port, I have added a return of the British and other foreign commerce during the last

six months in order to supply in this report a comparative sketch of the trade of each nation with Guayaquil.

The preceding tables 7 and 8 show the progress of the import trade during the last five years. In the last year there appears to be a considerable decrease when compared with the year preceding. This may be attributed to two causes, first, the failure of the crop of cocoa, and to the alteration in the mode of valuing the imports introduced during the last year. The goods imported are now valued according to the 'Arrancel' of Carthagena, which is more favourable to the importer than the mode formerly in use.<sup>1</sup>

According to the foregoing tables the official valuation of the imports for the last five years amounts to £1,150,016, or an annual average of £230,003. I have used every means to obtain the real value of the imports, and from the comparison I have made between the invoice prices, and the official valuation of some British shipments I have found the latter about one third less than the former. I have consulted the best informed merchants in Guayaquil, and all of them state that the invoice value may be fixed at one third more than the Custom House valuation. The value of the imports during the last five years may therefore be stated to be about £1,533,355, averaging annually £306,671. It thus appears that the imports during the last five years have exceeded the exports in value £348,540, which is an annual excess of £69,708. The question which naturally presents itself, is—how is the surplus of imports paid for? None of the mines in the neighbouring provinces are at present worked, and the quantity of gold dust smuggled from the port must be very inconsiderable. The only conclusion appears to be that remittances have been made in bills drawn on England against the various loans of the Colombian and Peruvian governments, and that the above surplus is still due from this country to Europe. The imports must therefore be reduced or the exports increased.

It is probable that the beneficial effects of a profound peace—the facility given by improved roads to communicate with the interior—the more general working of the mines of Colombia,

<sup>1</sup> A reference to the Spanish tariff in use at Cartagena and elsewhere, established on 22 April 1817 and supplemented on 14 Oct. 1817 and 3 Sept. 1818. Cf. Henderson to Canning, 8 Jan. 1824 (no. 2) F.O. 18/4; Laws of 28 Sept. 1821; 5 Aug. 1823, *Codificación nacional*, i. 56, 262; and *infra*, p. 266, n. 2.



and advancement in her agriculture, will at once place the exports and imports of this port on a par. Whether any increase of the import trade may be expected, must depend upon the degree of diligence bestowed in drawing forth the mineral and agricultural resources of the country; and while the present appearance of the country justifies our expectation of a steady advancement in these two important branches of public prosperity, I think I may safely venture to assert that there is no probability of a decline in the import trade.

The table No. 9 supplies a comparative return of the commerce of all nations with this port during the last six months. The gross official amount of Colombian imports is therein stated to be £65,307 18s. Of this, the merchandize introduced by way of Panamá amounts to the sum of £43,815 12s. On an average it may be considered that about three-fifths of the merchandize which comes to Guayaquil via Panamá are purchased in Jamaica, and the remaining two-fifths consist of silk and other goods purchased from the United States merchants, and at the Island of Saint Thomas by the Panamá merchants. The official amount of British imports by way of Cape Horn and Panamá during the last six months may therefore be stated to amount to £46,763 17s. 2½d.

It probably may not be deemed uninteresting to supply in this report what information I have been able to collect on the relative advantages of these separate channels of communication with this part of the South American Continent. A considerable quantity of British merchandize is purchased by the Panamá merchants at the Island of Jamaica, and is introduced into this port by way of Panamá, and the remainder by the route of Cape Horn. It will be seen that the Panamá trade to this port has been gradually increasing<sup>1</sup>: this is the more extraordinary as that route is more expensive, and offers far greater risks than the direct route of Cape Horn. I think the Panamá trade must decline. That trade has hitherto been a forced trade, and the Jamaica merchants have been led to make unprofitable sales to the Panamá merchants with the hope of establishing permanent connexions on this side of Colombia. The following calculation of the relative costs of transmitting merchandize from England by these separate channels will clearly show the great advantages of the route by Cape Horn.<sup>2</sup>

<sup>1</sup> *Infra*, pp. 284, 337.

<sup>2</sup> *Supra*, pp 161-2; 185-6.

Estimate of expenses on 100 bales of goods shipped from Europe to Guayaquil via Jamaica and Panamá, and also of the same goods shipped by way of Cape Horn. 100 bales supposed to measure 20 tons, and to be worth £5,000 sterling.

Freight from Europe to Jamaica 20 tons	@ 40/- per ton	£40
do. Jamaica to Chagres	@ 25/- " "	25
Transportation to Panamá	@ 15/- per bale	75
Freight to Guayaquil	@ 15/- per do.	75
Insurance to Jamaica	1 per cent.	
do. to Chagres	$\frac{1}{2}$ per "	
do. to Guayaquil	1 per "	
Commission paid in Jamaica and Panamá for forwarding	2 per "	
	<hr/> —4½ per cent.	225

Total amount of expenses via Panamá £440

Freight and expenses of 100 bales of goods from England to Guayaquil by the way of Cape Horn.

Freight of 100 bales measuring 20 tons	@ £7 per ton	£140
Insurance	2 per cent.	100

Amount of expenses via Panamá 240

Saved by way of Cape Horn £200

In addition to this great difference in the cost, the value of the return freight of ships coming direct must be taken into consideration, which I think may be considered equal to one half of the outward freight. The risks of damage by the way of Panamá are, too, very great, while the shipper by the direct course of Cape Horn is assured against all risks by the payment of 2 per cent. insurance, and his merchandize remains undisturbed, and he has further the advantage of trying the numerous markets both in the Atlantic and the Pacific.

The project of a canal or rail road across the Isthmus of Panamá has, I believe, much engaged public attention, and I have been informed that an exclusive privilege has been granted by the Colombian government to Messrs. Hyslop<sup>1</sup> of Jamaica to form a channel of communication between the two oceans either by a canal or rail road. Unless a ship canal can be formed capable of admitting vessels of one hundred to two hundred and fifty tons, the project will, I think, be found neither to afford advantage to the commerce of the country, or profitable remuneration to the

<sup>1</sup> Not in *Codificación nacional*.

projectors of the work. Presuming a rail road, or a canal *for barges* to be constructed, I will submit the following calculation of the relative expenses of the two routes, and the balance will still be found to be in favour of Cape Horn.

Freight from Europe to Chagres direct 20 tons @ 50/- per ton	£50
Expenses landing at Chagres, transportation to Panamá and re-embarking for Guayaquil @ 10/- per bale	50
Freight to Guayaquil @ 15/- per "	75
Insurance to Chagres @ 1 per cent.	
do. to Guayaquil @ 1 per do.	
Commission for forwarding in Panamá @ 1 per do. 3 per cent.	150
	<hr/>
	325
	240
	<hr/>
Balance in favour of Cape Horn	£85

At present there is little difference in the time of arrival of merchandize at this station by these two routes. The bad roads of the Isthmus, and the irregular arrival of the coasting vessels at Panamá, have hitherto caused great loss of time in the Panamá route—but should a rail road or a barge canal be constructed and regular coasting vessels established between Guayaquil and Panamá, the voyage from Europe by the Isthmus to Guayaquil may be performed in two months, while that of Cape Horn will occupy four. The advantages which would result from an union of the two oceans either at the Isthmus, or at the lake of Nicaragua by means of a *ship* canal are so apparent, that I do not presume to offer any observations thereon.

With regard to the laws generally which regulate the trade of Guayaquil, although the Colombian government has shown much liberality in the reduction of the rate of duties, and has thereby in a great measure put a stop to the contraband trade so long and so systematically established along the coast of the Pacific, nevertheless some of the regulations of this port are extremely impolitic, seriously interrupt the commerce of the port, and prevent a material increase to its import trade. By law enacted on the 27th of September 1821, article 6, and by decree of the Executive of 24th March 1825, article 5, a duty of  $2\frac{1}{2}$  per cent. is imposed on all merchandize brought into the ports of Colombia for the purpose of re-exportation.<sup>1</sup> This law is of most fatal tendency to the

<sup>1</sup> Law of 29 Sept. 1821. *Codificación nacional*, i. 66. Abrogated 4 April 1826, *ibid.*, ii. 269.

commerce of Guayaquil, which port, from its peculiar local situation, has been, and will continue to be a stopping place for all vessels trading along the coast—where seldom a whole cargo can find a market, and where arrivals are so uncertain that articles of the first necessity are often not to be procured. The custom has hitherto been for vessels to call in, and try the market, sell such articles as were in demand, and generally to take on board the funds arising from such sales in the produce of the country, thus supplying the inhabitants with such articles as were wanted, and taking in exchange those which became valuable only for exportation.

According to the existing law, a vessel arriving here with a cargo presumed for example sake, to be worth 100,000 dollars, of which one tenth or 10,000 dollars may be sold in Guayaquil, is (in order to effect such sale) obliged to pay the transit duty of  $2\frac{1}{2}$  per cent. on the remainder of her cargo, namely:—

on 90,000 dollars, which is	2,250 dollars
Together with import and consumption duty on amount sold,	
namely 10,000 dollars at 25 per cent.	2,500 „
	<hr/>
Making the whole duty paid	<u>\$4,750</u>

thus increasing the actual amount of duties paid on the portion sold to the enormous rate of  $47\frac{1}{2}$  per cent., which amounts nearly to a prohibition. Several recent instances have occurred of vessels with assorted cargoes coming to this port, and being obliged to leave it without selling that portion of their cargoes which was in demand, because the payment of so high a transit duty, and the expenses on landing the remainder, would have consumed more than the profits of the sale which might have been effected. This law will subject merchandize introduced in British vessels from China to the payment of a greater duty than merchandize imported in United States, or other vessels, because as the British vessels engaged in the China trade are of large burthen, and the effect of this law being felt in proportion to the burthen of the vessel, British vessels engaged in the China trade will be thereby excluded from the port, unless they may have on board the mere remnant of a cargo. The trade with India will be affected in a like manner.

The regulation by which vessels are obliged to discharge the whole of their cargo, although but a very small portion thereof

may be destined for this port, much interrupts the port to port trade. In addition to the great expense (manual labour being here at a most exorbitant price) and the detention this regulation causes, the packages are frequently broken and rendered unfit for re-shipping in the double risk of landing, and re-embarking.

The average market prices within the last year of some of the principal articles of export and import may be stated to be as follows :—

*Average prices of some of the principal articles of export and import trade in Guayaquil, 1825*

*Exports*

Cocoa	17/- per carga of 81 lbs.
Bark (loxa)	1/6 per lb.
do. colorada (coloured)	1/3 per lb.
do. provincial (provincial)	1/- per lb.
Hides	£2.0.3½ per cwt.
Pitch	£2.13.9 per cwt.
Straw hats, from	£2 to £4 per dozen.

*Imports*

Broad cloths of first quality	£1.16 per yard
do. second quality	£1 4 per do.
Cassimeres	10/- to 12/- per yard
Baizes 'pillon'	£16 to £20 per piece
do. 'cien hilos'	£10 to £12 do.
Baizes 'faxuelas'	£10 to £12 per do.
Calicoes	£1 to £1.4 per do.
Cambrics	£1 to £1 4 per do.
Muslins	£1.4 per do.
Other descriptions of British goods about 30 per cent. advance on invoice prices.	
French cotton goods	40 to 50 per cent. advance on cost.
French silks	75 to 80 per cent. do.
China silks	70 to 100 per cent. on Canton prices.
India goods unsaleable, except nankeens, which give a very moderate profit.	
India spices, and drugs	80 to 100 per cent. on cost.
North American cotton goods and other manufactured articles	} 30 to 40 per cent. on invoice prices.
North American flour and salted provisions have not paid freight and charges.	
Wines of all descriptions have sold at prices leaving to the importer a fair profit.	

The present prices of merchandize at Guayaquil, from a scarcity of money, and overstocked market, are generally 20 per cent. below quotations.

*The articles which are absolutely prohibited to be imported are as follows :—*

By law of Congress of 27th September, 1821, coffee, cocoa, indigo,

sugars, raw or refined, and molasses under penalty of the confiscation of vessel and cargo.<sup>1</sup>

By decree of the executive of 20th January, 1823, all productions and manufactures of Spain or her dependencies, under penalty of the condemnation of the vessel, and destruction of the cargo.<sup>2</sup>

By law of congress of 4th July, 1823, gunpowder, tobacco, whether in leaf, segars, snuff or rappee, under penalty of confiscation of the articles, and the vessel or the whole or any other part of the cargo, if belonging to the proprietor of the contraband articles.<sup>3</sup>

By law of congress of 12th August, 1823, foreign spirits extracted from the sugar cane, or their compounds, under penalty of confiscation of the vessel and spirits.<sup>4</sup>

By law of congress of 8th July, 1824, foreign salt under penalty of confiscation of the vessel and salt.<sup>5</sup>

I am not aware there are any regulations requiring that goods shall be introduced into this port direct from the place of their growth or manufacture. The difference in the rate of duty on goods and natural productions coming direct, or not, from Asia and the European colonies in Asia, will be seen in the tariff of duties which follows.

The only privilege of importation which ships of the build of the country enjoy is the coasting trade from port to port within the Colombian territory<sup>6</sup>; but all foreign built ships sailing under the Colombian flag enjoy the same privilege, although the owners may be foreigners.

The difference in the rates of duties on goods imported into this country in a Colombian and foreign vessel will be seen in the tariff of duties.

The only nation which has been hitherto favoured is Peru, whose vessels have been admitted on the same terms as Colombian. The vessels of the United States are now admitted on the same favourable terms by virtue of the treaty concluded at Bogotá on the 3rd of October, 1824,<sup>7</sup> by the third article of which it is stipulated that 'the citizens of the United States may frequent

<sup>1</sup> Law of 29 Sept. 1821. *Codificación nacional*, i. 62.

<sup>2</sup> *Ibid.*, vii. 143.

<sup>3</sup> Laws of 7 July 1823, *ibid.*, i. 208-9.

<sup>4</sup> Law of 5 Aug. 1823, *ibid.*, i. 260.

<sup>5</sup> Law of 10 July 1823, *ibid.*, i. 334.

<sup>6</sup> Law of 29 Sept. 1821, *ibid.*, i. 62.

<sup>7</sup> *B.F.S.P.*, xii. 782. The treaty of 6 July 1822, between Colombia and Peru, is in *ibid.*, xi. 105.

all the coast and countries of the Republic of Colombia, and reside and trade there, in all sorts of produce, manufactures and merchandize and shall pay no other or greater duties, charges or fees whatsoever than the most favoured nation is, or shall be obliged to pay, and that they shall enjoy all the rights, privileges and exemptions in navigation and commerce which the most favoured nation does or shall enjoy submitting themselves nevertheless to the laws, decrees and usages there established and to which are submitted the subjects and citizens of the most favoured nations'.

The rates of duty payable on goods imported into this country, and the tonnage and anchorage duty on shipping entering inwards together with pilotage dues are as follows:—

*Duties of importation fixed by law dated the 2nd of August, 1823,<sup>1</sup> on goods, wares and merchandize according to their class, and place of procedure*

	In Colombian vessels coming from		In foreign vessels coming from	
	Colonies.	Europe or United States.	Colonies.	Europe or United States.
First class Articles 3 and 4 enumerated in the said law :— Iron in bars, tin in plates, or sheets, copper in bars or rods, paper of all qualities, medicines of all kinds, surgical instruments, rigging and cordage, cables and anchors, pitch and tar.	15 per cent.	7½ per cent.	20 per cent.	15 per cent.
Second class Articles 5 and 6 :— All kinds of cotton, linen, woollen or worsted goods, except those which may be specially mentioned.	17½ per cent.	10 per cent.	22½ per cent.	17½ per cent.

<sup>1</sup> Law of 5 Aug. 1823. *Codificación nacional*, i. 262. This law superseded that of 28 Sept. 1821 and was itself superseded by that of 13 March 1826. *Ibid.*, i. 56; ii. 204.

	In Colombian vessels coming from		In foreign vessels coming from	
	Colonies	Europe or United States.	Colonies	Europe or United States.
<p>Third class</p> <p>Articles 7 and 8 :—</p> <p>Umbrellas, galloons, beaver, woollen, cotton or silk hats, wax and spermaceti manufactured or unmanufactured, wines and vinagers, oils of all qualities or classes, watches of gold, silver or metal, saddlery, cards, European china, or earthenware, glass of all descriptions.</p>	20 per cent.	12½ per cent.	25 per cent.	20 per cent.
<p>Fourth class</p> <p>Articles 9 and 10 :—</p> <p>Silks of all sorts the production and manufacture of Europe, jewels, and precious stones, skins dressed or undressed, lace of thread or silk, pocket handkerchiefs, artificial flowers and dress feathers, looking glasses, and perfumes, essences and distilled waters, dried or preserved fruits, olives and capers, tanned leather of all kinds.</p>	22½ per cent.	15 per cent.	27½ per cent.	22½ per cent.
<p>Fifth class</p> <p>Articles 10 and 11 :—</p> <p>Boots and shoes, clothes, and ready made linen, household furniture of all classes, all classes of utensils of copper, brass, iron, steel and tin, tallow, manufactured or unmanufactured, flour, salt meat and all sorts of foreign provisions.</p>	25 per cent.	17½ per cent.	30 per cent.	25 per cent.
<p>Articles 13 and 14 :—</p> <p>All other goods, wares and merchandize not included in the several classes above mentioned.</p>	25 per cent.	17½ per cent.	30 per cent.	25 per cent.



*Article 15*

All merchandize and all kinds of manufactured goods, as well as all natural productions of Asia, and of the European colonies in Asia (not dependent on the Spanish government) if imported in

Colombian vessels direct from those countries shall pay	12 per cent.
If not coming direct in the same vessels	20 per cent.
In foreign vessels direct from those countries	20 per cent.
If not coming direct in the same vessels	25 per cent.

*Article 16*

All goods of the actual growth, production or manufacture of any state of the American continent heretofore dependent on the Spanish government coming direct from any such independent state and imported in Colombian or foreign vessels shall pay the same rate of duties as vessels coming from Europe or the United States, but all other goods and commodities not of the actual growth production or manufacture of such independent American states, whether imported in Colombian or foreign vessels coming direct from such states shall pay the same rate of duties as vessels coming from colonies, unless by special commercial treaty it may be stipulated to the contrary.

The law passed the 28th March, 1825, imposes the duty on lead in bars pigs or balls at the following rates<sup>1</sup> :—

In Colombian vessels coming from colonies	12 per cent.
do. coming from Europe or United States	5 per cent.
In foreign vessels coming from colonies	17 per cent.
do. coming from Europe or United States	12 per cent.

By the law of the 2nd of August, 1823, the following rates of import duties are imposed on all foreign spirits, liquors, and compounds (not extracted from the sugar cane)<sup>2</sup> :—

If introduced in Colombian vessels coming from Europe, the United States, or from independent ports of the American continent, and being the natural produce of those countries	35 per cent.
If imported in foreign vessels belonging to neutral or friendly nations	45 per cent.
If in Colombian vessels, and such spirituous liquors not being the natural production of colonies or independent states of the American continent	45 per cent.
If in foreign vessels do.	60 per cent.

*Consumption duty.*

By the 2nd Article of a law dated 24th July, 1824,<sup>3</sup> published in this department on the 7th February, 1825, the duty of 3 per cent. is imposed upon the value of all goods, wares, and merchandize imported and sold in this department, and such goods, wares and merchandize as shall be imported and destined for the interior departments, shall pay the said duty of 3 per cent. at the place of destination.

<sup>1</sup> Decree of 28 March 1825; *Codificación nacional*, ii. 51.

<sup>2</sup> Law of 5 Aug. 1823; *ibid.*, i. 260.

<sup>3</sup> Law of 22 July 1824; *ibid.*, i. 350. Abrogated 25 March 1826; *ibid.*, ii. 247.

*Tonnage dues.*

By law dated 28th July, 1824,<sup>1</sup> the legal ton is stated to be twenty quintals, and shall be paid ten days after the entry of vessels into port.

Foreign vessels for each ton	4 reales, or 2/-
Colombian do. do	1 real, or 6d.
Colombian vessels trading from port to port within the Republic, and which vessels exceed 20 tons shall pay for each ton above 20 tons.	$\frac{1}{2}$ real, or 3d.

Colombian vessels not exceeding 20 tons are exempt from tonnage dues.

No tonnage duty is payable on clearing outwards.

*Anchorage dues.*

By law dated 11th October, 1821,<sup>2</sup> and by decree of the Executive of 9th April, 1822, the following dues are imposed:—

On foreign vessels	12 dollars, or £2.8.0
On Colombian do.	6 " or £1.4.0

This fund is appropriated by the same decree for the support of the hospital for leprosy.

*Pilotage*

There are no lights in Colombia on the shores of the Pacific. The inward and outward pilotage of foreign ships is one hundred and fifty dollars (or £30), of foreign brigs, ninety dollars (or £18). Colombian vessels, and those of Peru and the United States pay one third less. The pilotage at this port is exorbitant when the easy and secure navigation of the port is taken into consideration, and the mode of levying is not equitable since the rate of pilotage is not regulated according to the burthen of the vessel, but by the number of masts.

Goods entered for exportation are permitted to remain in the Custom House stores three months and are subjected to the payment of 2½ per cent. on the Custom House valuations together with the costs of portorage. If not exported at the termination of three months they are subject to the full import duties.<sup>3</sup>

Esmeraldas about 180 miles to the north of Guayaquil is a free port for a certain term of years, and all goods (not directly prohibited) are admitted duty free. This privilege has been granted by the Congress with the hope that it would lead to the formation of a

<sup>1</sup> Law of 28 July 1824, *ibid.*, i. 387.

<sup>2</sup> Resolution of 13 Oct. 1821; *ibid.*, i. 128. Cf. Law of 1 May 1826; *ibid.*, ii. 344.

<sup>3</sup> The law of 29 Sept. 1821 permitted goods for re-exportation to remain in store for six months. *Ibid.*, i. 66.

good road from Esmeraldas to Quito.<sup>1</sup> No road has yet been formed, and the usual mode of conveyance of effects, after leaving the river Esmeraldas, is the shoulders of Indians, which is accompanied with too much risk and expense to admit of the introduction of merchandize by this route. Thus Quito derives no advantage from the concession of a free port.

In concluding this report on the trade of Guayaquil, I beg to be permitted to observe that I have been obliged to limit myself to such information as could be derived from the scanty sources within my reach: this circumstance, and my inexperience of the trade of this port will, I trust, be received as some excuse if it should be found that I have not rendered this report as perfect as under other circumstances I might have done.

<sup>1</sup> Decree of 25 June 1822; *ibid.*, vii. 94.

## IX. COLOMBIA (CARTAGENA)

[F.O. 18/6.]

Edward Watts to George Canning.

No. 4a.

Cartagena de Colombia,  
9 May 1824.

The communications which I have had the honor to make H.M. Under Secretary of State, Mr. Planta, under dates the 1st and 5th instant, No. 7 and 9,<sup>1</sup> for your information, will make you, Sir, acquainted with the reasons which have prevented the requisite exequatur being granted to the commission with which His Majesty honored me as consul at this port dated the 10th October of last year.<sup>2</sup>

In the view, however, to obviate, in a great measure, the effect of a delay thus occasioned to the public admission of the exercise of my consular functions at this place, I hasten to transmit to you, Sir, the enclosed report on the present state of trade at the port of Cartagena, in obedience to the tenth clause of your instruction under the above mentioned date.

In a residence only of four months at this place, during a large portion of which time I was afflicted with a severe attack of gout, I have not been enabled, perhaps, to obtain the fullest information on a subject of so much importance: yet I sanguinely hope that

<sup>1</sup> F.O. 18/6. The government objected that in the commission of the consul-general Colombia was improperly designated a province, and that the commissions of the consuls referred to local authorities instead of to the Republic of Colombia. New commissions were issued on 7 Nov. 1825.

<sup>2</sup> F.O. 18/1. Watts had previously been a partner in an agency house at Madras. He was expelled by the Government of New Granada in Jan. 1832 on charges which in Lord Palmerston's opinion amounted 'to little or nothing'. F.O. 18/92.

my future communications may repair and supply the defects which you, Sir, will perceive in the report I have now the honor to lay before you.

**Report of H.B.M. Consul on the present state of trade at the port of Cartagena de Colombia.<sup>1</sup>**

The town of Cartagena, in latitude 10.27 north and longitude 75.24 west, is situated on a low, floodable neck of sand. It is surrounded by the sea: on the north side by the Atlantic, and on all the others by the waters of its fine harbour. The N.E. winds prevail during nine months of the year, and from December to April blow occasionally with much violence, which increases to windward and diminishes to leeward. These winds, however, refresh the atmosphere, dissipate exhalations, with the miasma of the air, and probably render the place healthier than it otherwise might be. During the months of August, September and October there is a cessation of the sea breezes and in that period of the year the weather is very hot. The rainy season begins in June and continues till September, during which months fevers and dysenteries usually prevail. But, upon the whole, the climate of Cartagena is not unfavourable to the European constitution, although it is generally considered unhealthy for the Colombian resorting hither from the elevated lands of the interior.

<sup>1</sup> There is a duplicate of this report in B.T. 6/37. The history of the revolution in the viceroyalty of New Granada is exceedingly complex. The fullest account in English is in Henao and Arrubla, *History of Colombia*. The news of events at Quito (*supra*, p. 226, n. 2) and at Caracas (*infra*, p. 273, n. 2) had precipitated the establishment of juntas at Cartagena and Santa Fé de Bogotá in June and July 1810, and these examples were imitated in other provinces of the viceroyalty. A congress of delegates from some of these proclaimed in Nov. 1811 the federation of the United Provinces of New Granada. In the same month Cartagena declared herself an independent state. Inter-provincial jealousies reduced this early independence movement to anarchy, and in May 1816, after Cartagena had endured a devastating siege, Bogotá was again occupied by a representative of the king of Spain, and the republic of the United Provinces of New Granada, never very united, had ceased to exist. In December of that year, however, Bolívar landed for the last time in Venezuela and began his final campaigns for the liberation of his country. In 1817 he formed his capital at Angostura and in 1819 crossed the Andes to liberate New Granada. On 7 Aug. he defeated the royalists at Boyacá and on the 10th entered Bogotá. On 17 Dec. a congress at Angostura decreed the union of Venezuela and New Granada in the Republic of Colombia and on 30 Aug. 1821 a constituent congress at Cúcuta adopted the definitive constitution for the new republic. *B.F.S.P.*, ix. 698. On 3 Oct. Bolívar was inaugurated as president.

The small island of Tierra Bomba, situate to the northward and westward, forms two natural entrances to the harbour, the one, on the north side, called Boca grande, the other, on the west side, called Boca chica. The former entrance is of easier access, but the Spaniards, at great expense, obstructed the passage by sinking vessels filled with stones: yet there are still two small openings in it that admit fishing boats.<sup>1</sup> The greater facility of fortifying the other entrance was the inducement to prefer it to Boca grande; and this consideration, it is presumeable, led to the selection of Cartagena,<sup>a</sup> from the fineness and security of its noble harbour, to be the principal mart of trade on the establishment of los galeones, whence this place first rose to opulence and importance. The entrance of Boca chica is very strongly defended, on the left side, on entering, by the fort of San Fernando, situate on the Tierra Bomba, and on the right side, by the fort of San José, constructed on a small island, opposite nearly to the former fort. A vessel, therefore, in making this port, passes near to the town of Cartagena, and proceeding onward (passing Boca grande) along the Tierra Bomba, and very close to it, rounds its western point, approaching the entrance of Boca chica between the forts of San Fernando and San José.

A very correct chart of the harbour of Cartagena, by Lieut. Young, R.N., has been forwarded with my dispatch No. 4, of the 23rd April, 1824, to H.M. Under Secretary of State for Foreign Affairs.<sup>2</sup>

To the eastward of Cartagena stands the port of San Felipe, sometimes called San Lazaro, which commands the town. It was the first fort built by the Spaniards, to protect them from the Indians, when they took possession of this country. Here the British troops, in the expedition of Admiral Vernon in 1741, suffered

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<sup>a</sup> The military defences of the coasts of Tierra Firme were, and still are, the castle of St. Antonio at Cumaná, the Moro de Nueva Barcelona, the fortifications of La Guayra, Puerto Cabello, the fort of San Carlos at the entrance of the Gulf of Maracaybo, and Cartagena. These coasts are divided into four maritime departments:—1st, The provinces of Guayana, Cumaná, Barcelona, and the island of Margarita. 2nd, The provinces of Caraccas, Coro, and Maracaybo. 3rd, The provinces of Rio de la Hacha, Santa Marta, Cartagena, as far as the gulph of Veragua. 4th, Panamá and Guayaquil in the Pacific.

<sup>1</sup> See Humboldt, *Personal narrative*, vii. 474-7.

<sup>2</sup> F.O. 18/6, enclosing chart of the port of Cartagena.

so dreadfully from sickness and fatigue—an event rendered familiar by Smollett's *Roderick Random*.<sup>1</sup> The military events during the late struggle for independence have shewn that the fort of San Felipe is more a detriment than a defence to Carthagena, for the Colombians, under Generals Montilla and Padilla,<sup>2</sup> drew up some cannon on the most elevated point of the Popa, whence they opened a fire upon that fort and obliged it to surrender.<sup>3</sup> The Popa is a hill to the south east of the former, rising from the sea face, in a progressive elevation, not unlike a gunners coin. On the highest part of it stands a church and monastery, near to which a flag and signal staff is erected. San Felipe will, most likely, be demolished as soon as government can afford the expense of its demolition.

During the seventeenth century, when the commerce between Spain and her American colonies was carried on by los galeones and las flotas, from the port of Seville, which were bound to Carthagena and Porto Bello, this port rose, with rapid progress, to opulence and importance.<sup>4</sup> But it was then an exclusive trade, watched and protected with the most jealous vigilance. Immense sums were lavished on the fortifications of Carthagena, which was then the first port on the coast of Tierra Firme, a pre-eminence due to it, indeed, from its capacious and secure harbour. Vestiges still remain of prosperity in its spacious buildings, well adapted to the climate, in the Moorish style, as in the southern parts of Spain, and in its extensive works, all which, however, are now much dilapidated by gradual decay, and by the destructive consequences of the late arduous struggle for liberty and independence.

The first innovation to that exclusive trade was produced by the treaty of Utrecht in 1713, when the *assiento de los negros* (formerly held by France) was conceded to Great Britain by Spain,

<sup>1</sup> Edward Vernon (1684–1757) captured Portobello in 1739, but failed in his attack on Cartagena in 1741. Smollett was present on the occasion.

<sup>2</sup> Mariano Montilla (1782–1851), Venezuelan patriot and general; José Padilla, (1778–1828), Colombian general and admiral, implicated in a conspiracy against Bolívar in 1828 and executed.

<sup>3</sup> 1 Oct. 1821.

<sup>4</sup> Cartagena was the first port of call of the galleons on their way to Porto Bello. At the fair here held a portion of their cargoes was disposed of, and news of their arrival was sent to Porto Bello and Lima. The Armada del Sur then sailed from Callao to Panama, and the treasures of Peru were transhipped across the isthmus to the great fair of Porto Bello. The fair held in that pestilential spot at one time lasted forty or fifty days. *Supra*, p. III, n. 2.

and possessed by the South Sea Company, who enjoyed also the extraordinary privilege of sending annually a ship of five hundred tons burthen, laden with European goods, to Porto Bello.<sup>1</sup> That privilege, much encroached upon, occasioned the establishment of British factories at Carthagena (as also at Panamá, Vera Cruz, and other places) which were constantly supplied with goods from the British merchants in Jamaica.<sup>2</sup> Thence arose a very extensive trade from that island with the coasts of Tierra Firme, which has, through countless variations and vicissitudes, existed till the present day.<sup>3</sup> Habits of trade of such long standing have taken deep root, and will yield but slowly to the progress of events arising out of the great revolution which has, of late years, taken place in the commerce of Spanish America. The merchants of the viceroyalty of New Granada, and of the captaincy-general of Venezuela, in defiance of all the prohibitions of the Spanish government, and of the vigilance of the guarda costas, resorted to Jamaica with their gold for the selection and purchase of their goods, and a very exten-

<sup>1</sup> By the Asiento of 26 March 1713 Great Britain obtained, amongst other privileges, the right of exporting 4,800 negroes annually to Spanish America, of sending an annual ship of 500 tons (later raised to 650) to the Spanish Main, and of stationing factors in American ports. The Asiento was assigned by Queen Anne to the South Sea Company which had been founded in 1711 with the intention of forcing a trade in the Indies. F. G. Davenport, *European treaties bearing on the history of the United States and its dependencies* (4 vols., Carnegie Institution of Washington, 1917-37), iii. 171-85; iv (ed. C. O. Paullin), p. 9.

<sup>2</sup> For the contraband activities of the South Sea Company see A. S. Aiton, 'The Asiento Treaty as reflected in the Papers of Lord Shelburne', and V. L. Brown, 'Contraband trade: A factor in the decline of Spain's empire in America', *H.A.H.R.*, viii (1928), pp. 167-77 and 178-89; together with Miss Brown's earlier article, 'The South Sea Company and contraband trade', *A.H.R.*, xxxi (1926), pp. 662-78. The statistics of the tonnage of the galleons (*supra*, p. 111, ns. 2 and 3) are an interesting commentary on the extent of company and private trade.

<sup>3</sup> Towards the middle of the eighteenth century the contraband had declined, partly because of Spain's more liberal commercial policy, partly because of the increased stringency with which Great Britain applied the navigation acts. See Bryan Edwards, *The history, civil and commercial, of the British colonies in the West Indies* (3rd edn., 3 vols., London, 1801), i. 292-300. For the British free port system, initiated in 1766, and extended by successive acts after 1787 so that at strategic points in the West Indies Great Britain tapped the trade and resources of the Spanish colonies and specifically protected a trade which in Spanish eyes remained contraband, see D. B. Goebel, 'British trade to the Spanish Colonies, 1796-1823', *A.H.R.*, xliii (1938), pp. 289-94, and H. T. Manning, *British colonial government after the American Revolution, 1782-1820* (New Haven, 1933), pp. 11, 274-86.



sive contraband trade was thus carried on, greatly to the advantage of the Jamaica merchants.<sup>1</sup>

The engagements of the British government with the court of Spain, in the year 1810, when the freedom of trade with the Spanish American possessions was granted to the English merchant,<sup>2</sup> increased the spirit of commercial enterprise, which has since been pursued with the fluctuations to which it is usually liable.

During the late struggle for liberty and independence, the attention of the governing power was directed to the encouragement of foreign commerce, whence an available revenue was sanguinely expected to furnish the readiest means for meeting the exigencies of the moment. Yet few alterations have hitherto been made in the old Spanish regime respecting foreign trade. The custom of resorting to Jamaica to find the proper assortment of goods for the consumption of the interior still prevails, and it may perhaps long continue through the defective system of the Department of Customs, till a treaty of commerce shall have placed the trade of Great Britain with Colombia upon a basis of reciprocity of rights and interests,

<sup>1</sup> See the complaints of Viceroy Pedro Mendinueta of the wiles of the contrabandists, 'siempre ingeniosos y atrevidos', in his *relación* of 1803 Posada y Ibáñez, *Relaciones de Mando*, p. 505. Viceroy Marquina of New Spain indignantly reported in this same year that he had seen with his own eyes the scandalous license with which ships bearing the Spanish flag entered Kingston, and the freedom with which English and Spanish merchants did business together. *Instrucciones que los virreyes de Nueva España dejaron a sus sucesores* (Mexico, 1867), p. 205. Cf. *infra*, p. 337.

<sup>2</sup> No such freedom of trade was granted. Canning stated, in the Polignac Memorandum (Webster, II 117), that permission to trade had been granted to Great Britain in 1810 when British mediation was asked for by Spain and granted by Great Britain. Proposals for the opening of the Spanish American ports were indeed made at this time, but nothing came of them. And while one of the bases of the proposed mediation in 1811-12 was that Great Britain should have the right to trade while negotiations were in progress, mediation did not take place. From the Spanish point of view the Indies remained as rigidly closed as though no such discussions had taken place. See D. B. Goebel, 'British trade to the Spanish Colonies, 1796-1823', *A.H.R.*, xliii (1938), pp. 288-9. Professors Temperley and Penson in their *Foundations of British foreign policy from Pitt (1792) to Salisbury (1902)* . . . (Cambridge, 1938), pp. 523-6, attempt to explain away Canning's words. The whole subject has been more fully discussed in an unpublished thesis by I. A. Langnas, 'The relations between Great Britain and the Spanish colonies, 1802-12', in the library of the Institute of Historical Research, London. For the suppressed decree of 17 May 1810 which would have opened the door to the Indies at least in part see Zamora y Coronado, *Biblioteca de legislación ultramarina*, II. 264-5.

which alone can protect and encourage a direct and permanent trade between the two countries.<sup>1</sup>

The Colombian government, in the view to encourage the direct trade with Europe, has laid an additional duty of five per cent. on imports from the colonies.<sup>2</sup> This encouragement does not produce the desired effect. The communication with Jamaica, to obtain assortments of European goods, is still kept up, from the inveteracy of long established custom. The high rates of duties on importation afford strong inducements to smuggling. The very defective administration of the Department of the Customs, the miserable allowances given to its officers, encourage malversation, neglect, and abuses, affording to the trader from Jamaica, long accustomed to the trade, great facilities for eluding the duties, which more than counterbalance the additional expense hence to that island and back, to which the direct trade from Europe is not subject.<sup>3</sup> The direct trader, therefore, cannot, at present, enter into successful competition with the indirect trader, because it is not so easy for the former, as it is for the latter, to evade the payment of the customs upon importation. The direct trader is, also, more oppressed by the injudicious restraints and disabilities imposed upon foreign commerce (a subject which will be more fully treated in this report) since he has little, or no, communion of interests with the Colombian merchant, whereas, in the indirect trade, foreigners and Colombians often combine their interests.

The trade with Jamaica is now carried on in small schooners, sloops and brigs, principally British, which leave that island at stated periods, in convoys, under the protection of an English ship of war, and touch at Río de la Hacha, Santa Marta, Savanilla, Carthagena, Portobelo, and Shagres. The ship of war, on her return to Jamaica, generally takes treasure, for account of the British and Colombian merchants.

Since the appointment of British consuls for Colombia, only three ships have arrived at Carthagena direct from England. The first was a small schooner, the *Swift*, with a cargo of dry goods for an English house recently established here. The second was the *Southwark*, with dry goods and some military stores. The third,

<sup>1</sup> The treaty between Great Britain and Colombia was signed on 18 April 1825. *B.F.S.P.*, xii. 661.

<sup>2</sup> Law of 5 Aug. 1823. *Codificación nacional*, i. 262. *Supra*, pp. 247-9.

<sup>3</sup> 'The English of Jamaica', wrote the French traveller, Mollien, 'carry on almost the whole of the import trade . . . ' *Travels in the republic of Colombia, in the years 1822 and 1823* (London, 1824), p. 388.

the Riseborough, [was] laden entirely with naval and military stores for the Colombian Government.

To facilitate a communication by water with the interior, the Spanish Government opened a canal, or dique, to the river Magdalena. The distance between that river and Cartagena, in a direct line taken from a Spanish map of Hidalgo,<sup>1</sup> is from 39 to 40 English miles. Hence to Mahates, 28 miles distant, there is a natural canal formed by the sea. From Mahates to the river Magdalena the Spanish dique was cut, and immense sums of money have, at different times, been expended upon it. From Mahates to San Stanislaus and some way beyond that town, the canal is navigable. During the contest for independence, this dique, beyond the point above mentioned, has unavoidably fallen into decay, and it is now only navigable during the rainy season. The cabildo of this town was charged with the keeping of the dique in good repair.

Mr. John Bernard Elbers, a German, has entered into engagements with the Colombian government, to establish steam boats on the Magdalena, to make a good road from the neighbourhood of Honda, on that river, to Bogotá, to open a permanent water communication hence to the Magdalena, and another from Santa Marta to that river.<sup>2</sup> His success in these undertakings will contribute much to the general prosperity of Colombia, and more particularly to the rapid improvement of the trade of this port, which at present is far behind the ports of La Guayra, Puerto Cabello and Maracaibo, as well as Santa Marta, for the export of territorial produce, whose facilities for internal communication are now far superior.

The duties of the cabildo, in keeping the old dique in repair, for which purpose a toll has been levied on merchandise transported into the interior, may in some measure interfere with Mr. Elbers engagements with the Colombian government, and he is anxious to have this matter definitively settled at Bogotá, before he enters upon the work of forming an efficient communication by water to

<sup>1</sup> I know no map by anyone of this name. I suspect that the reference is to Antonio de Arévalo's *Plano topográfico del Dique de Barranca, situado entre Cartagena de Indias y el Rio Grande de la Magdalena* (c. 1797). See P. Torres Lanzas, *Relación descriptiva de los mapas, planos, etc. de las antiguas audiencias de Panamá, Santa Fe y Quito existentes en el Archivo General de Indias* (Madrid, 1904).

<sup>2</sup> Decree of 3 July 1823, conceding to Mr. J. B. Elbers the exclusive privilege for twenty years of navigating the Magdalena by steam boats. *Codificación nacional*, i. 194. Cf. *Present state of Colombia*, pp. 183-7.

the river Magdalena. For this purpose he expects an engineer from England to direct the operations respecting it. The completion of that canal is admitted to be the most arduous part of Mr. Elbers engagements, from the great rise and fall of the Magdalena, its waters, during the dry seasons, being thirty feet below the present level of the old dique near the banks of that river.

The great importance of the efficient performance of this work to the future prosperity of British trade at this port has determined me to accompany Mr. Elbers, and an engineer officer in the Colombian service, Count Adlercreutz,<sup>1</sup> who are about setting out hence to inspect the course of the canal in question, an excursion that will not absent me from Carthagena beyond ten or twelve days.

The principal productions of Colombia are cocoa, cotton, tobacco, dye woods and hides. Sugar, coffee, quinquina and cochineal may be produced on an extensive scale, when population and industry expand and increase, when the prosperity of Colombia shall be secured and consolidated by tranquility [and] protected from exterior aggression, [and] when the enterprise of foreign trade, freed from present restraints, shall become active and emulous.

The exportation of produce from this port is at present inconsiderable, from a defective and expensive communication with the interior. Some cotton, hides, fustic, and Nicaragua wood are the usual exports, and much gold and silver leaves the country from this port, to complete the returns for the goods imported into it.

The exports of produce from the interior are more considerable from the port of Santa Marta. The communication by water with the Magdalena, though often dangerous to the boats employed in it, gives, however, a greater facility to the import and export trade at that port than is at present found here, the dique or canal being dry during the fair season, and the expense of land carriage between San Stanislaus and the river Magdalena being great for heavy and bulky articles.

The port of Savanilla, at the mouth of the Magdalena, has been closed for maritime commerce, but Mr. Glen, an English merchant settled there,<sup>2</sup> has obtained the privilege of exportation for a period

<sup>1</sup> Fredrik Tomas Adlercreutz (1793-1852), son of the Swedish Count Carl Johan Adlercreutz, served as chief of the engineer corps under Bolívar, was made governor of Mompox in 1828, and from 1840 to 1852 was Swedish consul-general at Caracas.

<sup>2</sup> No doubt the Mr. Glenn whom Cochrane met in 1823 at Barranquilla 'a merchant from Canada, who had been settled here eight years'. Cochrane, *Journal of a residence and travels in Colombia*, 1. 76.

of time. Many persons think that the situation of Savanilla is more favorable for trade than that of Carthagena, that its harbour is good and the climate healthy, which others, on the contrary, do not admit. There is, however, everything to create at the former place, where, at present, there are only a few huts and miserable buildings, whereas this port is capacious, secure, and well fortified.

From Rio de la Hacha the principal article of export is Nicaragua, or Brazil wood. It had been hitherto the practice for English vessels to call at that port to obtain licences for trading with the Indians on the Coast of Guaira, where an inferior sort of Brazil wood is found in abundance, but the Colombian Government have prohibited all foreign trade with the Indian tribes on that Coast, and on those of Darien and Veragua. The document on this subject, under date the 9th March 1822, has been forwarded in my dispatch No. 4, of the 23rd April last.<sup>1</sup> The English merchants settled in this department are, at present, few in number. At Rio de la Hacha, Santa Marta, Savanilla, Barrancos, Barranquilla, and Mompox (those three last places are on the right bank, in ascending the river Magdalena) one, two, and three individuals are established in each place. In Carthagena there are four British commercial establishments, and a few inferior traders.

The inclosure No. 11 which accompanies this report, gives a succinct account of the views and plans of individuals, mostly British subjects, who have resorted to Colombia, as far as these have reached my knowledge.<sup>2</sup>

The Americans have, hitherto, carried on but a limited trade with this port from the difficulty of obtaining territorial produce

<sup>1</sup> F.O. 18/6. The Colombian government laid claim to the territory occupied by the Indian tribes on the Goajira coast, on that of Darien, and on the Mosquito shore Cf Decree of 1 May 1826, *Codificación nacional*, ii. 333. See also *B.F.S.P.*, xi. 816. It insisted that foreigners trading with these Indians should obtain licences from the Colombian authorities See Decree of 22 Sept 1826, *Codificación nacional*, vii. 399, and the orders of J. M. Castillo to the intendant of Magdalena, 9 March 1822 and 29 April 1824, in Vice-Admiral Halsted to J W Croker, 3 May 1824, B.T. 6/38, and Watts to Planta, 11 Dec. 1824, F.O. 18/7. By the former of these orders all foreign vessels found trading off the coasts of Goajira and Darien were to be brought to Cartagena; the latter insisted that vessels trading with these Indians must obtain licences at Rio de la Hacha. These regulations were the subject of considerable dispute, since they hindered a trade long carried on from Jamaica. See Memorial of Merchants of Kingston to Vice-Admiral Halsted, 21 June 1824, F.O. 18/6. Repeated but ineffectual protests were made.

<sup>2</sup> *Infra*, p. 269.

in return, which is found more easily at the ports of Maracaibo and Laguayra, whither they resort in great numbers and overstock the markets. Their chief imports are provisions and liquids, some glass, and hardware, and furniture. Mr. J. M. Macpherson has been recognised consul of the United States at this place since the 26th of May 1823.<sup>1</sup> No proposal has hitherto been made for establishing any treaty of commerce between the two countries.<sup>2</sup> The American consul has obtained the privilege of transacting business here in his own name, and he is the principal consignee of the shipments made to this port from the United States. He is authorised by his government to engage in commerce.

There is at this time a French ship in the harbour from Bourdeaux, with wines, hardware and other dry goods. Two other French ships are shortly expected here.

A ship from the port of Antwerp was also here last year, and some territorial produce which she took back realised profitable returns.

Lieut.-Colonel Severin Lorych, the Swedish consul-general in the United States, visited Bogotá in February 1823, charged with a particular commission to express the desire of the King of Sweden and Norway, and of the Swedish nation, to enter into arrangements with the Colombian Republic of reciprocal advantage for the commercial interests of both countries.<sup>3</sup>

The trade carried on by the Colombians themselves at this port is not considerable. A few private traders resort to Jamaica, for the purchase of dry goods, which, on their return, they transport into the interior for retail sale. They enrich themselves, however, rapidly by this traffic. There are four wealthy and respectable Colombian houses of business established for some years at this port, and it is chiefly under their names that the foreign merchants here transact their business. Minor houses also lend their firms for a similar purpose: a practise familiarly called *la testa de ferro*. Territorial produce, in small Colombian vessels, is occasionally imported here, coast wise.

The produce of the customs of import and export, at this port,

<sup>1</sup> John M. Macpherson was appointed 'consular commercial agent' to Cartagena on 17 Aug. 1822, and his title was changed to consul on 19 April 1824. W. S. Robertson, 'Documents concerning the consular service of the United States in Latin America', *Mississippi Valley Historical Review*, ii (1916), p. 565.

<sup>2</sup> A treaty between the United States and Colombia was signed on 3 Oct. 1824. *B.F.S.P.*, xii. 782.

<sup>3</sup> Cf. *B.F.S.P.*, x. 747-8.

during the year 1822, from the 14th of February to the 31st of December amounted to 162,197 Spanish dollars.

Extreme difficulty has hitherto been experienced in obtaining any information at the Custom House on the imports and exports of this port, which it were desirable to possess from the year 1810. This, however, is impracticable from the loss of the registers, but a hope is entertained of obtaining some accurate statements, commencing from the year 1822, and that they may be regularly continued, in order to afford materials for framing the half yearly returns of the exports and imports of trade in this port, required by the instructions from H.M. Principal Secretary of State for Foreign Affairs.

Under the Spanish regime consulados were established at the principal seaports of the coasts of Tierra Firme, but, during the struggle for liberty and independence, they fell into decay and ceased to operate. These were very useful establishments for the regulation and decision of all matters regarding trade and commerce. They have, however, been re-established at Caraccas, Cauca, and Guayaquil. The prior of the Consulado of this port, the late Don José Ignacio de Pombo,<sup>1</sup> by order of the Supreme Provincial Junta of Carthagená, presented in the year 1810, a report on the means and expedients necessary to give encouragement to the agriculture, manufactures and trade of this province. Many of the suggestions of the author have been attended to by the present rulers of the country. This able report is, indeed, replete with the most useful information; and, although voluminous will be translated, and transmitted in the view to afford H.M. Principal Secretary of State for Foreign Affairs the most accurate account of the state of the province of Carthagená at that time, and of what progressive improvement it is susceptible, by the exercise of industry, enterprise and talent.

Accompanying this report are, A and B, translations of the memorials presented to Congress, last year, by the Secretaries of the Interior and of Finance, transmitted in the view to give the most correct picture of the situation and resources of Colombia at that recent period, to which notes of explanation and collateral information are affixed.<sup>2</sup>

<sup>1</sup> José Ignacio de Pombo (1761-1815), merchant and benefactor of Cartagena, and closely associated with the foundation of its consulado.

<sup>2</sup> Not printed. Report of the minister of state for the interior, Don José Manuel Restrepo, to the congress of Colombia, dated Bogotá, 22 April 1823; Report of the minister of state for the public revenue, Don José María del

The union of the new kingdom of Granada, and the captaincy-general of Venezuela, took place only on the 12th of July 1821,<sup>1</sup> since when the national congress has met twice, in the sessions during 1822, and in those during 1823. The third meeting of Congress commenced on the 4th April 1824. During this short period much has been done, considering that the persons in power are new and inexperienced in acts of legislation and government, considering that Colombia has been wasted and exhausted by a sanguinary warfare of thirteen years, her population greatly diminished, her industry palsied, and considering, moreover, the defective education which those persons have received under the former rulers, whose vices, prejudices, and confined views, they have unavoidably imbibed and inherited.<sup>2</sup> Yet the foreigner, on entering Colombia, complains generally of the present state of things, and wonders that nothing more has been accomplished. In my humble conception the progress of Colombia, since the consolidation of her power and government, has been with the stride of the giant.

All the laws which have hitherto been passed relative to commerce, are now collected and translated. They accompany this report from No. 1 to No. 10, as follows:—<sup>3</sup>

No. 1 The latest law on the duties of import, dated the 2nd August, 1823,<sup>4</sup> which commenced its operation on the 1st January, 1824, with a comparative view of those duties with the duties levied on the island of Cuba.

No. 2. Law respecting the tobacco farms and its exportation, dated 27th September, 1821.<sup>5</sup>

3. Law regarding spirituous liquors, dated 2nd August, 1823.<sup>6</sup>

4. Law prohibiting the entry of Spanish goods, dated 20th January, 1823.<sup>7</sup>

Castillo, to the congress of Colombia, dated Bogotá, 5th May 1823. See *State of Colombia or reports of the secretaries of state of the republic of Colombia, presented to the first constitutional congress in the year 1823* (London, 1824).

<sup>1</sup> *Supra*, p. 253, n. 1. On 12 July 1821 the congress of Cúcuta ratified the Fundamental Law of the Union of the People of Colombia of 17 Dec. 1819. *B.F.S.P.*, ix 407, 696.

<sup>2</sup> For the work of the constituent congress of Cúcuta and of the first and second congresses of Colombia, in 1823 and 1824, see Henao and Arrubla, *op. cit.*, pp. 350-3, 368-73; and Gil Fortoul, *Historia constitucional de Venezuela*, i. 428-42, 478-83. There were no sessions in 1822.

<sup>3</sup> Not printed.

<sup>4</sup> 5 Aug. 1823. *Codificación nacional*, i. 262. Superseded 13 March 1826; *ibid.*, ii. 204. Cf. *supra*, pp. 247-9.

<sup>5</sup> 29 Sept. 1821; *ibid.*, i. 72.

<sup>6</sup> 5 Aug. 1823; *ibid.*, i. 260. Superseded 13 March 1826; *ibid.* ii. 204.

<sup>7</sup> Decree of 20 Jan. 1823; *ibid.*, vii 143.



5. Law exempting from duty certain articles of import, dated 27th September, 1821.<sup>1</sup>

6. Law prohibiting the importation of certain goods, and about the coasting trade, dated 27th September, 1821.<sup>2</sup>

7. Law respecting drawbacks allowed, dated 27th September, 1821.<sup>3</sup>

8. Law on the duties of export and exemptions dated 27th September, 1821,<sup>4</sup> with remarks.

9. Law respecting the disabilities of the foreign merchants, dated 27th Feb. 1822,<sup>5</sup> with remarks

10. Law regarding naturalisation, dated 3rd September, 1821,<sup>6</sup> with remarks.

In legislating for Colombia, her present rulers have left in existence and operation the old Spanish laws, with all their multiplied imperfections, contradictions, and confusedness, in all matters wherein their application and observance may not repugn against the new order of things. This procedure is more manifest and conspicuous in everything that bears relation to trade and commerce. Although the various duties on import and export have been consolidated, this consolidation is burthensome, and aggravated by the additional alcabala of 2½ per cent., and the charge of 3 per cent. on presumed exportation of the precious metals,<sup>7</sup> which, together, make the rates of duties on importation nearly equal to those levied in the island of Cuba.<sup>8</sup>

These high duties, and the very defective system of the Department of the Customs, formed a marked encouragement to smuggling,

<sup>1</sup> 29 Sept. 1821, *ibid.*, i. 61.

<sup>2</sup> 29 Sept. 1821, *ibid.*, i. 62.

<sup>3</sup> 29 Sept. 1821, *ibid.*, i. 66. Repealed 4 April 1826, *ibid.*, ii. 269.

<sup>4</sup> 29 Sept. 1821; *ibid.*, i. 64. Repealed 10 July 1824, *ibid.*, i. 329.

<sup>5</sup> Decree of 27 Feb. 1822; *ibid.*, vii. 73. Repealed 30 July 1824; *ibid.*, i. 394.

<sup>6</sup> 17 Sept. 1821; *ibid.*, i. 49. Reformed 4 July 1823, 3 Aug. 1824; *ibid.*, i. 201, 404.

<sup>7</sup> The *alcabala* was levied on the transport of goods to the interior. Law of 5 Oct. 1821. It was abolished on 22 July 1824. *Codificación nacional*, i. 89, 350. The *extracción presunta* was intended to guard against presumed clandestine export of specie equivalent to the amount of cargo imported. Law of 29 Sept. 1821. It was abolished on 10 July 1824, *ibid.*, i. 65, 329.

<sup>8</sup> For the rates in Colombia see *supra*, pp. 247-9. Cf. also p. 47, n. 2. Watts, in a note to enclosure no. 1 (*supra*, p. 264), gives the rates in Cuba as follows—Class 1, 20½ p.c.; class ii, 27½ p.c.; class iii, 28½ p.c.; class iv, 30½ p.c. The royal decree of 4 Feb. 1822, giving effect to the decree of the Cortes of 27 Jan. 1822, relative to foreign trade with the island of Cuba (*B.F.S.P.*, x. 865), stated that dues should not be less than 20 p.c. nor more than 37½ p.c.

which is carried on pretty extensively, as I am credibly informed, in defiance of all the enactments and the vigilance of Government.

But the greatest obstacles to the enterprize and extension of foreign commerce proceed from the law of the 27th of February, 1822 (No. 9), which imposes restraints and disabilities on the foreign merchant that deprive him of his free agency, and open a door to fraud, deception, and eventual spoliation. It is true, that law was, at the time, considered only as a provisional enactment, but the strong spirit of jealousy which dictated it, will, I fear, yield but slowly to the operation of time and better experience.<sup>1</sup>

Upon this subject, of such vital importance to the future prosperity of the British trade with Colombia, some merchants of Carthagena have addressed me a letter, under date the 16th of February last, which accompanies this report, in original, No. 12.<sup>2</sup> Two signatures are erased from it, the head partner of the house at Kingston having subsequently objected to the manner, although not to the matter, of the representations therein made. It is, indeed, a wordy and cumbersome production, and the great importance only of the subject has induced me to make it a number of the present report.

In proofs of the frauds and spoliations resulting from the degrading obligation imposed on the foreign merchant to transact all his matters of business in the name of a Colombian resident merchant (were proof indeed necessary to display them) many instances may be cited, particularly one of recent occurrence at Carthagena, where a young Englishman, of acknowledged integrity, was connected with one of the principal houses of this place (one of the four before mentioned) whose joint transactions were publicly known, and the person in question declared to be a partner in the establishment. He died intestate, and no account whatever can be obtained from the Colombian partners of the property of the deceased, which was considered to be of some extent.

<sup>1</sup> This decree, compelling foreigners to employ a Colombian consignee, was repealed on 30 July 1824. *Codificación nacional*, vii. 73; i. 394

<sup>2</sup> Not printed. R. McFarlane, J. A. Brush, G. Still, R. Cartmel to Watts, 16 Feb. 1824, complaining of the decree of 27 Feb 1822, of the tariff, the alcabala, and other dues. The merchants admitted that the valuations in the tariff were not in general exorbitant, but they complained that its classifications were unsatisfactory, and that it was out of date. While the prices of British goods, particularly cottons, had been greatly reduced, the tariff had not been revised since 1817, and it should be fixed according to prices in the home market. Cf. *supra*, p. 240, n. 1; *infra*, p. 287

Future events must accelerate or retard the rising prosperity of Colombia. The population of the Spanish American settlements, now risen, and rising to independence, is dissimilar from that of any other people. It is not European, nor Indian, nor African. The original settlers were themselves of mixed European and African blood. The Spaniards, called at times Godos, Chapetones, or Gachupines, have nearly disappeared from South America.<sup>1</sup> The Creoles, Negroes and Indians (with the exception of the independent tribes) intermixed with each other, form an amalgamated mass of population, without any marked national characteristic, but with the moral and physical properties of each race, tainted, rather than improved, by admixture. Along the extensive coasts of the Atlantic, the mixed population has more of the African blood than the population of the interior, which retains still much of the Spanish race. The abolition of slavery in Colombia is of a progression too rapid, and forms a question in the policy of the government, encompassed with imposing and opposing difficulties. But freedom is, however, proclaimed throughout Colombia.<sup>2</sup> Yet the preponderance of African blood on so very an extensive line of coast, in agitated times like the present, cannot fail to excite serious reflections in this country. Those now in power are by no means disposed to disregard them, but feel the full importance of the expediency of inviting Europeans to find homes in Colombia, where a wide field is open to their active industry and enterprise, and where their descendants must improve the moral and physical properties of the Colombians, by the strong influence of example, and by admixture of blood.

Tranquillity and long repose are likewise essential to accelerate the progress of the prosperity of Colombia. Although now free and independent, and determined to remain so, with her abundant resources for self preservation and defence, Colombia is agitated

<sup>1</sup> The first census of Colombia, in 1825, with engaging precision, gives a total population of 2,583,799, but Henao and Arrubla, *op. cit.*, p. 380, think it must have been at least 3,000,000. Restrepo gives New Granada 1,400,000, Venezuela 900,000 and Quito 600,000 in 1810. *Historia de la revolución de la república de Colombia*, i. 216. For further figures see Humboldt, *Personal narrative*, vi 131-8; O'Leary, *Bolívar y la emancipación de Sur-América*, ii. 556-7; Depons, *Voyage a la partie orientale de la Terre-Ferme*, i. 177-8. Colonel Patrick Campbell in his Report on the state of Colombia, Campbell to Planta, 6 Nov. 1824, F.O. 18/3, estimates 550,000 whites, of which only 200 were European Spaniards, 500,000 Indians (exclusive of wild Indians), 800,000 mestizos and 800,000 negroes and mulattoes.

<sup>2</sup> *Supra*, p. 228, n. i.

with fears for the future, and, in the state of uncertainty and instability in which these fears place her, she cannot advance with steadiness and firmness in her career of aggrandizement. Her armies and naval forces cannot be diminished whilst an apprehension exists of exterior aggression. Her agriculture and industry must remain stationary, or be but slowly progressive, nor can many inducements offer to employ capital or labour with the certainty, or the flattering hope, of success, in a position of so much fluctuating incertitude.

But the declaration of her independence by Great Britain will dispel every apprehension for the future, and Colombia may then expect, with confidence, that her progress towards prosperity will be as rapid as has hitherto been her career in legislation and government.

Yet however desirable the early occurrence of such a measure may be, it is frankly acknowledged by the few in this neighbourhood, who possess any knowledge of the sentiments of the British cabinet on this momentous subject, that the present march of its negotiations towards inducing the court of Madrid to precede the nations of Europe in a declaration of the independence of the free States of Spanish America, is beyond all doubt the most efficacious, as well as the most judicious, for securing the future tranquillity, security, and freedom of this country, because a precipitate declaration on the part of Great Britain might not prevent the intrigues of the French Cabinet to interfere clandestinely in the affairs of South America, nor avert the eventual renewal of war in both hemispheres.

However, till that important event shall take place, British commercial enterprise cannot with safety enter into a fixed, permanent, and direct trade with Colombia. Nothing, till then, can become stable in this country.

But to render such a trade prosperous, will require the removal of many obstacles which now oppose it. In the view which I have taken of this most interesting subject, I am decidedly of opinion that these obstacles can only be efficaciously surmounted by a treaty of commerce between the two countries, upon the basis of reciprocity of rights.

New governments are more jealous and tenacious of their enactments than old ones, and the most guarded suggestions to remove the existing disabilities of the foreign merchant, and achieve the reform of the Custom House departments, must be received with

feelings of uneasiness, jealousy, and distrust. But the proposal of a commercial treaty, after the declaration of Colombia's independence, will be attended to with even enthusiasm and exultation. In forming such a treaty, provisions can easily be framed to set aside every future obstruction to the success of the British trade with Colombia.

These two important events can not fail to open for Great Britain a very extensive and advantageous mart for her various manufactures throughout this wide spreading country, expanding progressively as population, agriculture, industry and enterprise advance and unfold their inexhaustible resources of wealth in this rich and fertile portion of the New World.

In drawing this report to a close, in humble imitation of a classic example, 'parvula si licet componere magnis', it was my intention to say a few words on the vicissitudes experienced by the province of Cartagena, during the late contest for liberty and independence, promised by a Colombian of some acquirements, but the importance of the subjects of this report, and the impatient solicitude of the British merchants thereon, have hastened, and perhaps precipitated, its transmission to the Foreign Office.

*No. II. Succinct account of the views and plans of foreigners in Colombia, and of the engagements entered into by them with the Colombian government*

1. Colonel James Hamilton, in the Colombian service, obtained on the 4th August 1823, an exclusive privilege to navigate by steam boats for ten years the river Orinoco, and all the other rivers that flow into it, from the port of San Thomas de Angostura upwards. It is likely to become a very lucrative undertaking.<sup>1</sup>

2. Mr. Bernard Elbers navigation of the river Magdalena by steam boat has already been noticed.<sup>2</sup>

3. Mr. C. L. Manhardt and George Suckley, citizens of the United States, have recently applied for an exclusive privilege for 21 years to navigate the Lake of Maracaibo and the river Zulia, with all its ramifications, with steam boats; and this application is now before Congress.<sup>3</sup>

4. Mr. Kirkland, of this place, has applied for an exclusive privilege to navigate the river Atrato by steam boats, and to open a navigable canal from that river, at San Pablo, to the river San Juan, which flows into the

<sup>1</sup> Decree of 5 Aug. 1823; amplified 2 July 1823. *Codificación nacional*, i. 266, 328. The privilege was ultimately invalidated. *Present state of Colombia*, p. 188.

<sup>2</sup> *Supra*, pp. 259-60.

<sup>3</sup> This privilege was granted on 29 March 1825, and was declared forfeited in 1827. *Codificación nacional*, ii. 53; vii 498. See the account in *Present state of Colombia*, pp. 192-4.

Pacific. The period first required was 100 years, but it has since been left to the determination of Congress. The Atrato is a very fine river, but the province of Chocó, through which it runs, is unhealthy. Mr. Higson, a merchant of Jamaica, who has travelled over and well observed that country, declares that this scheme is impracticable from the immense expense likely to attend its execution. Mr. Kirkland has sent his plan and chart to Messrs. Baring Brothers & Co of London. He is a man, as represented to me, in the command of limited means.<sup>1</sup>

5. Captain Charles Stuart Cochrane, R.N., is engaged with some Colombians of influence at the capital on a scheme to open a navigable canal to join the Atlantic and the Pacific Oceans through the isthmus of Panamá.<sup>2</sup> This communication has not been noticed by Humboldt, whose idea was to cut a canal in the direction of a ravine from Cruces on the river Shagres to Panamá.<sup>3</sup> The plan now in question was communicated to the court of Madrid, who kept it a profound secret. But duplicates of the papers relative to it were found at Bogotá, when it came into the possession of the Colombians. Ascending the river Chagres, much below Cruces, a river is found to flow into it, on the right: pursuing the course of that river the neighbourhood of another river is approached, which flows into the Pacific, to the westward of Panamá, and opens, by its current, a deep channel into that ocean, obviating, thereby, the objections, noticed by Baron Humboldt, to the former plan that, owing to the shallowness of the shores of the Pacific, the canal should be cut far into the sea.<sup>4</sup> The distance between the rivers abovementioned is short, and the intervening country nearly a flat plain.

6. Captain C. S. Cochrane obtained on the 28th July 1823, an exclusive privilege for 8 years to establish in the provinces from the mouths of the Orinoco to Maracaibo inclusive, works and machinery for the making of copper sheets, from the copper of the neighbouring country.<sup>5</sup>

7. The same person, for account of Messrs. Rundell Bridges & Rundell of London, obtained on the 1st August 1823, an exclusive privilege for fishing for pearls<sup>6</sup>: for a term of five years, from the Cape North East, in the South Sea, to the Cape Corrientes: for another term of 5 years, in the Atlantic, from the N.E. boundary of the Republic, along the coast to Cape San Roman: and for another period of 5 years, from Cape Corriente to Cape Blanco in the South Sea, and from Cape Roman in the Atlantic to the mouths of the Orinoco.

8. The same person is connected with a company formed at Bogotá for draining a lake on the summit of a mountain, in the neighbourhood of that

<sup>1</sup> Cf. *supra*, p. 159.

<sup>2</sup> Cochrane, *Journal of a residence and travels in Colombia*, ii. 140, 432.

<sup>3</sup> One of the possible lines of communication discussed by Humboldt, *Essai politique*, i. 12-27.

<sup>4</sup> See Robinson, *Memoirs of the Mexican revolution*, ii. 274, who argues that the canal would have to be cut seven miles into the ocean.

<sup>5</sup> Decree of 28 July 1823. *Codificación nacional*, i. 238. The project, however, seems to have been abandoned. *Present state of Colombia*, p. 319.

<sup>6</sup> Decree of 11 Aug. 1823. *Codificación nacional*, i. 280. This grant was the original object of Cochrane's visit, and gave rise to the Colombian Pearl Fishery Association. Cochrane, *op. cit.*, i. 2; ii. 140-3; *Present state of Colombia*, pp. 324-5.

city, called Guatavita, which is supposed to contain large quantities of gold dust and golden idols.<sup>1</sup> It was, before the Spanish invasion, the practice of the natives to resort to the lake and throw into it golden images on their religious festivals: and whenever a cacique died in the vicinity, his corpse was oiled over, covered with gold dust, and thrown into the lake. The Spaniards, at different times, obtained from Guatavita gold dust and idols of great value, though the lake was never properly drained by them. Expectation runs high on the result of this undertaking, and shares in it are high.<sup>2</sup>

9. Captain Cochrane is also concerned with some individuals at the capital in an exclusive privilege for working, for a period of 20 years, the emerald mines of Muso, a distance of three days journey from Bogotá, paying, for the first ten years, 5 per cent. of their produce to Government, and  $7\frac{1}{2}$  per cent. for the rest of the term.<sup>3</sup>

10. Colonel Johnston and Mr. Thompson have rented the salt works of Zipaquera for a period of 10 years, in the neighbourhood of Bogotá, as already noticed.<sup>3</sup>

11. Mr. Macnamara has a contract for 200,000 arobas of tobacco, which has been already noticed.<sup>4</sup>

12. Mr. W. C. Jones has obtained from Government, the grant of 200,000 fanegas of waste land for Messrs. Herring, Graham and Powles of London, to be chosen in the provinces of Merida, Caraccas and Choco, to which allusion has already been made.<sup>5</sup>

13. Mr. Elbers has an extensive contract with Government for the supply of naval and military stores, through the house of Goldschmidt in London. A part arrived lately here in the *Riseborough*.

14. Mr. Richard Rennie has also an engagement to deliver to the government 15,000 muskets, tower proof, at ten dollars the firelock. 6,000 of them arrived in the ship *Riseborough*.

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<sup>a</sup> It is not unlikely that the first discovery of Guatavita by the Spaniards may have given rise to the report of the country 'del dorado', which engaged so much the speculation of Sir Walter Raleigh and others.<sup>6</sup>

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<sup>1</sup> See Hamilton, *Travels through the interior provinces of Colombia*, i. 194; Cochrane, *op. cit.*, ii. 200-5; Humboldt, *Personal narrative*, v. 813-15.

<sup>2</sup> Leased by Cochrane, Rivero and Paris. Henderson to Canning, 12 April 1827, F.O. 18/43. Hamilton, *Travels*, i. 198-9.

<sup>3</sup> Cochrane, *op. cit.*, ii. 186, 209-12. The contract, however, was ultimately declared void. *Present state of Colombia*, p. 314. In a note to the report of J. M. Castillo cited *supra*, p. 263, n. 2, Watts stated that the mines were rented at \$50,000 a year, and that the lessees were to make an advance loan of \$500,000 to the Government.

<sup>4</sup> In a note to the report of J. M. Castillo cited *supra*, p. 263, n. 2. Macnamara had been commissary general of the Irish legion in Colombia. See Hamilton, *Travels*, i. 100-1, 114.

<sup>5</sup> In a note to the report of J. M. Castillo cited *supra*, p. 263, n. 2. See Decree of 29 Nov. 1823. *Codificación nacional*, vii. 178.

<sup>6</sup> The legend does take its rise from this sacred lake. See V. T. Harlow, ed., *The discoveries of the large and bewitchful empire of Guiana by Sir Walter Raleigh* (London, 1928), pp. 1-11.

15. On the 5th August 1823,<sup>1</sup> the executive power passed a decree for renting the mines of the Republic (except those of platina) to individuals undertaking to work and explore them, at their expense. The provinces of Antioquia and Chocó, in particular, contain many mines of gold and silver. Here is a wide field opened for European industry and enterprise. The introduction of machinery, principally steam engines, would materially facilitate such undertakings. Yet agricultural pursuits would be far preferable to the above. The cultivation of coffee, cotton, sugar, cocoa, vanilla, pita, the nopal, for the production of the cochineal insect : searching for the several genuine sorts of the peruvian bark, or quinquina (for there are many spurious ones) ; the introduction and rearing of the vicuña sheep from Peru, are all undertakings susceptible of great advantages, if pursued with prudence, caution and circumspection.

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<sup>1</sup> *Codificación nacional*, i. 265.



## X. COLOMBIA (VENEZUELA)

[F.O. 18/9.]

Thomas Tupper<sup>1</sup> to George Canning.

La Guayra, 21 February 1824.

In obedience to your directions, and conformably to the 10th article of my instructions, I have the honor to transmit a report on the trade of this place and department of Venezuela.<sup>2</sup> I have answered the several questions in the order they are laid down, and from the sources I have derived my information I have every reason to believe the statement as correct as circumstances and the still unsettled and unorganized state of this province will admit.

The documents No. 2, 3, 4, 5, and 6, are connected with the report and more intimately explain the various points to which they refer.<sup>3</sup> No. 7 is a copy of my communication, No. 1, to his Majesty's Principal Commissioner at Sta Fee de Bogota.<sup>4</sup>

<sup>1</sup> Appointed consul at La Guaira on 10 Oct. 1823. Ill health compelled him to return to England at the end of 1824.

<sup>2</sup> A junta at Caracas had deposed the Spanish captain-general on 19 April 1810, and on 5 July 1811 Venezuela was the first amongst Latin American republics to declare her independence. The life of the new state was short. In July 1812 Francisco de Miranda, dictator of the United Provinces of Venezuela, was forced to surrender to the Spanish general, Domingo de Monteverde. In the following year the Spaniards were again expelled, and Bolívar, who had marched from Cartagena to Caracas, was triumphantly proclaimed liberator, only to have to flee the country in 1814. Gil Fortoul, *Historia constitucional*, 1. 163-330; Jules Mancini, *Bolívar et l'émancipation des colonies espagnoles des origines à 1815* (Paris, 1912). For the later history of Venezuela see *supra*, p. 253, n. 1. The country again became an independent state on its separation from Colombia in 1830.

<sup>3</sup> Not printed. They are as follows:—(2) Law of 5 Aug. 1823 on import duties. (*Supra*, pp. 247-9); (3) Export duties at La Guaira; (4) Port charges (amounting to \$181.4 on a foreign vessel of 200 tons and \$89 on a national vessel); (5) Prices current, 21 Feb. 1824; (6) Returns of Exports in 1823. See *infra*, p. 277.

<sup>4</sup> *Infra*, p. 276, n. 1.

I now beg leave to state in consequence of the recent fall and evacuation of the town and citadel of Puerto Cavello,<sup>1</sup> and the probable permanent occupation by the Colombian troops, that place is daily acquiring, and will soon attain its original commercial importance, and as it will be advisable to name an agent there to attend to the interests and protection of British commerce, I request your indulgence to appoint a vice-consul accordingly, [*side-note*: To be allowed pro tempore], after I shall have been received in my official capacity by the authorities of this department.

Puerto Cabello is situated about seventy miles to the west of this place, and, besides La Guayra, is the only shipping port within this province, under the same intendancy, and consequently subject to the same laws and regulations.

I have likewise humbly to solicit your attention to the following circumstance in the event my right of nomination to the above appointment should at any future period be questioned in this country. By the commission I have at present the honour to hold from his Majesty I am therein named consul at La Guayra only, while the seat of the government and residence of the respective chiefs of departments is Caracas. To obviate, therefore, any difficulty which might arise on this head, or other points in which I may be called upon to act in this province, I beg to submit that *Consul for Caracas, and Department of Venezuela* be substituted for La Guayra [*side-note*: to be considered], and which from the tenor of my instructions was, I presume, the primitive intention: or a request to his Majesty's principal Commissioner at Sta Fee de Bogota,<sup>2</sup> to state your wishes on the subject to the supreme Government, and through that channel communicated to the intendant of this department, would be sufficient to confirm my recognition as his Majesty's consul, throughout this province.<sup>3</sup>

The general scale of valuation on imports, upon which the duties are exacted, according to the tariff, not having been yet issued at the Custom House, I am in consequence deprived sending translation thereof, but which I hope to do with my duplicates.

<sup>1</sup> The fall of Puerto Cabello to General Páez in Nov. 1823 marked the end of the war in Venezuela.

<sup>2</sup> Colonel J. P. Hamilton, sent by Canning to ascertain the actual state of affairs in Colombia. Webster, nos. 192, 195, 224.

<sup>3</sup> Tupper's successor, the painter and traveller, Sir Robert Ker Porter (1777-1842), was appointed consul at Caracas on 15 Oct. 1825 and remained there till 1841.

### Report on the trade of La Guayra and department of Venezuela.<sup>1</sup>

The export commodities of the department of Venezuela consist of cocoa, coffee, cotton, indigo, hides, sarsaparilla, vanilla, horses, mules. The quantity of each article produced has of late years varied considerably. The expulsion of the European Spaniards in 1823,<sup>2</sup> the previous emigration from this country, added to the excesses committed by the contending parties, and consequent decrease of population, has, in many instances, left extensive and valuable estates abandoned, and others only partially cultivated.

The exports in the year 1820 from La Guayra and Puerto Cabello were :—

Indigo	150,000 lbs.	Coffee	55,000 cwt.
Cotton	24,000 cwt.	Hides	36,000
Cocoa	48,000 fanegas	Tobacco	1,200 cwt. <sup>3</sup>

It is not possible to form a correct estimate what the crops of the present year may bring into the market, but it is supposed they will exceed those of last year, during which period the exports entered at the Custom House at La Guayra, besides a few considerable shipments at Puerto Cabello, were :—<sup>4</sup>

Indigo	190,458 lbs.	Coffee	39,302 cwt.
Cotton	2,183 cwt	Hides	20,008
Cocoa	35,300 fanegas	Tobacco	1,500 cwt.

<sup>1</sup> There is a duplicate of this report in B.T. 6/37. There had long been an extensive contraband trade at La Guaira, and during the wars with England concessions had been made to neutral trade both by royal decree and local regulation. (*D.H.A.*, vii. 134, 157; *Relaciones de Mando*, p. 506; Depons, *Voyage à la partie orientale de la Terre-Ferme*, ii. 394–5, 399; Lerdo de Tejada, *Comercio exterior de México*, p. 20.) One of the first acts of the junta of Caracas in 1810 had been to declare the ports of Venezuela open, and by an arrangement with the Governor of Curaçao, duties on foreign imports were reduced by a quarter in favour of Great Britain. L. L. Mendez to Castlereagh, 12 Oct. 1812, F.O. 72/157; Manning, ii. 1151. From this date the trade was subject to recurrent blockades and to the vicissitudes of the royalist and patriot causes. For British exports to Venezuela from 1812–16 see *B.F.S.P.*, iv. 571, and *infra*, pp. 344 ff.

<sup>2</sup> Decrees of 4 and 7 July 1823, *Codificación nacional*, i. 199; Blanco (y Azpurúa), eds., *Documentos para la historia de la vida pública del libertador de Colombia, Perú y Bolivia*, ix. 155.

<sup>3</sup> As an indication of the ruin wrought by the wars of independence *cf.* the exports as given by Humboldt for 1796. *Personal narrative*, vi. 222.

<sup>4</sup> A fuller return, from the Customs House books, is given in Francis Hall, *Colombia; its present state* . . . (London, 1824), p. 152.

As tranquillity and confidence is gradually restored throughout this province and population encreases to cultivate more effectually its rich and productive soil, all articles of export will likewise rapidly encrease.

The imports embrace every description of manufactures, provisions and liquids—to the exception, however, of those articles which come under the prohibitory decrees.

North America supplies flour, provisions, fish, lumber, India goods, and latterly (since that country is allowed the privilege of entry on equal terms with the European importer) [has] introduced British manufactures to a considerable amount.<sup>1</sup> Articles of French and German manufacture, and produce have also been abundantly furnished, some direct, but principally from St. Thomas and Martinique.

The quantity of English manufactures imported, and regularly entered at the Custom House, within the last six months, may be computed at two hundred thousand sterling, of which about ninety thousand [came] direct, and the remainder through the colonies and the United States.

The same causes which will tend to encrease the exports from this country will in like manner operate most materially in favour of the import trade.

The general commercial regulations are in great measure expressed in the body of the tariff, and scale of valuation, which, it will be allowed, is, on almost every description of manufacture, comparatively much heavier on the inferior than the finer qualities, but the average estimate upon which the duties are paid does not usually exceed the amount of the original invoice.<sup>2</sup>

The consignee is allowed a credit of thirty days for the payment of duties on imports, payable, three-fourths cash, and remainder is accepted in government vales or obligations.

Goods once landed at the Custom House cannot be re-shipped, or

<sup>1</sup> See Decree of 23 June and law of 5 Aug 1823. *Codificación nacional*, 1. 191, 262. *Supra*, pp. 247-9. Tupper complained that the repeal of the regulation by which imports from the United States paid 5 p.c. more than those from Europe, (*cf.* Manning, ii. 1218), was highly prejudicial to British interests since it enabled the American to undersell the British merchant. British manufactures, he argued, were sold by auction in the United States considerably under the original cost; and the admission of these to Colombia greatly injured the direct importer. Tupper to J. P. Hamilton, 16 Jan. 1824. *Supra*, p. 273.

<sup>2</sup> *Supra*, pp. 247-9; and p. 266, n. 2.

re-exported, except by the same vessel which brought them, and in the latter case, within thirty days of landing same—otherwise, liable to a charge of two per cent. per month, until the duty is paid thereon by the importer.

This is the system at present adopted and observed at the Custom House, subject, however, to daily innovations and alterations, depending upon the will or caprice of the intendant of the department, and as circumstances or exigencies may require.

The average price of the imports have within the last year been without much variation. The exports, compared with the same period last year, have advanced ten to fifteen per cent. The accompanying prices current shews the present prices in both cases. . . .<sup>1</sup>

*Return of exports from the port of La Guayra in 1823*

[Editorial summary]

	Vessels.	Coffee	Cocoa.	Cotton.	Indigo.	Hides.	Sarsa- parilla.
		Cwt.	Fanegas	Cwt.	Cwt.		Cwt.
English	14	5,233	3,194	1,294	310	2,192	10
American	48	13,000	17,000	170	1,206	1,600	20
Dutch	15	3,300	850	110		550	12
Danish	16	3,700	5,900	70	276	300	20
French	5	69	1,264	250	17	107	9
Sardinian	2		1,656	250		298	
National	31	14,000	5,441	39	95	561	10
	131						

<sup>1</sup> Not printed. The remainder of this short report adds nothing to the information already printed

## XI. COLOMBIA (MARACAIBO)

[F.O. 18/8.]

Robert Sutherland <sup>1</sup> to George Canning.

No. 2.

Maracaibo, 5 July 1824.

Accompanying this you will do me the honor to receive my first report of the trade of this consulate from the evacuation of the Spanish forces upon the thirtieth of September eighteen hundred and twenty three <sup>2</sup> to the thirtieth of June of the present year. The extreme irregularity in every branch of administration and the want of Custom House accounts upon my arrival here makes it impossible for me to assert its correctness, yet it may be considered as near the mark as the want of such necessary documents will permit. The difficulty that exists of gaining true information at a port where the individual interests of the officers seem to have been sacredly guarded whilst the necessity of the government itself has been entirely forgotten is another bar to the truth . . .<sup>3</sup>

This port and its vicinity is the most ignorant and miserable of the principal ones in Colombia, perhaps in all South America. You would scarcely believe that there were not a dozen of the better order of citizens that knew England as a nation. They considered her merely as a province of Spain, of which they just knew that Ferdinand was king and Madrid his place of residence. Even the Treasurer asked me what distance England was from London,

<sup>1</sup> Consul at Maracaibo from 10 Oct. 1823 till the abolition of the consulate in Jan. 1832. Sutherland was a veteran of the Peninsular war.

<sup>2</sup> Maracaibo capitulated on 3 Aug. 1823, and the royalist commander embarked with his troops for Cuba on the 15th.

<sup>3</sup> The omitted paragraphs consist of character sketches and anecdotes of Colombian officers and leaders.

and when I replied about the same distance that Spain was from Madrid, he had not the curiosity to know any more. They never read. I even had the correspondence betwixt you and Prince Polignac<sup>1</sup> translated for the intendant and about a week after I had sent it to him I asked him his opinion of it. He told me that he had not read it, but that he would do so in a few days. There are two schools just set up here.

I visited Perija, Gibraltar and many of the towns and villages of this province. Although the earth is so fertile that if turned up with a needle it will yield a crop, I was obliged to carry corn for my horses with me from Maracaibo. The people are miserably poor.

The little trade carried on here is chiefly upon the system of monopoly. Each merchant has his agents in the country who get their goods in a regular indolent channel. The country people are so ignorant and prejudiced that they are as yet afraid to deal with foreigners. Yet I find that in a little time confidence will be established and that commercial knowledge will naturally diffuse itself among the people. Under the old system the chief trade of this place was carried on with Mexico. They had scarcely any intercourse with Europeans, which at once accounts for their ignorance and indolence. Was one to ask me how the population of this city live, I would say they never work, never eat; they sleep out the day and barely exist upon plantains and lake water. There are not three families that sit down to a regular meal, and a cloth is a luxury seldom had recourse to. There may be some capital in Maracaibo that will not appear for a little time, but it cannot be considerable. This port can only be considered of importance as a depot, and the facility of communicating through the lake with the richer provinces of the interior. Its own immediate consumption will for some time be very trifling.

I have little hesitation in saying that Colombia could not have held out one year longer had not England lent her a helping hand . . . [The constituted authorities break faith with the people. Every petty officer who holds a command is a tyrant. Recognition of Colombia by Great Britain cannot take place at too early a date if Colombia is not to fall into the hands of the Continental powers, who can plead that the reigning discontent in Colombia is fair ground for making a new question of their policy towards this country. Maracaibo the most important strategic point on the northern coast of Colombia . . .]

<sup>1</sup> Webster, nos. 167, 274, 361.

Of the new loan an hundred thousand dollars have arrived here, and may do a little good.<sup>1</sup> I cannot conceive from what sources the mercantile community in England derive their information as to the state of this country. They themselves must furnish us with means and hands to repay them. I served in Spain for some years during the war and I never saw her so wretched and miserable as the best parts of this country are, and from the best information I can obtain all parts of it are equally poor ; and here it cannot be said to be the effect of the war, for the enemy had but a short time possession, and could not have eradicated every trace of former industry. The fact is there never were any such traces. It may be said that there are valuable waste lands, but any farther one cannot go . . .

### Report on the trade of Maracaibo and department of Zulia

30 June 1824.

The export commodities of this department consist of cocoa, coffee, indigo, cochineal, hides, sugar, tobacco, sarsaparilla, medicinal bark, braziletto, fustic, horses, mules and asses. The quantity has declined considerably in consequence of the war, the destructive system pursued by General Morales <sup>2</sup> in his late invasion, emigration, and loss of capital.

The archives having been destroyed by General Morales, it is impossible to form any true estimate of the exports of the years preceding September, 1823, the date of the evacuation of Maracaibo by the royalists. Nor can I take it upon myself to vouch for the correctness of No. 2,<sup>3</sup> attached to this report, which details the export and import trade of the ports of Maracaibo and Coro since that period. Having discovered, on my arrival here, that no Custom-House books had been kept, and the officers of the Customs having been obliged to consult the merchants' books to draw it out, my opinion is that the whole of the import trade has been greater than stated therein.

It may be seen by a reference to the same document that the

<sup>1</sup> *Supra*, p. 230, n. 1.

<sup>2</sup> Francisco Tomás Morales (1781-1844), royalist commander, distinguished by his ferocity.

<sup>3</sup> *Infra*, p. 282.



export trade has been but trifling. It is but reasonable to hope that as confidence is now restored, particularly by the tender of his Majesty's good-will towards this rising country, that this branch must considerably encrease. Emigration, which the Government pretend to encourage, will, in the course of a few years, tend to a considerable augmentation of agricultural productions.

The imports consist of all descriptions of manufactures, provisions, and liquors.

The quantity of British manufactures imported in English bottoms, and direct from Europe, since the evacuation of Morales in 1823, is also to be seen by a reference to the scale No. 1.<sup>1</sup> It is impossible to state what may have been introduced in foreign bottoms from the United States, the Dutch and Danish colonies, etc., in consequence of the irregularity at the Custom House, to which I have already alluded; but I have reason to think that two thirds of the whole import trade must have consisted of articles of British manufacture.

North America supplies flour, provisions, articles of dress, India goods; and owing to the late equalization with the European importer,<sup>2</sup> furnishes British manufactures. French, German, Dutch and Danish manufactures, wines and provisions are imported from Curaçao and St. Thomas.

The general regulations respecting trade may be seen by the accompanying laws. There being no press within some hundred miles of the port, it may be well to refer to the general tariff forwarded by the consuls of La Guayra and Cartagena, who both have the advantage of a printed one. That in my possession, being written, would be too voluminous for transmittal. I have merely to observe that the valuation on almost every article of manufacture is comparatively much heavier on the inferior than the better qualities, but that the average estimate does not in any case exceed the amount of the invoice . . .<sup>3</sup>

<sup>1</sup> Return of British Trade at the Ports within the Consulate of Maracaibo.

<sup>2</sup> *Supra*, p. 276, n. 1.

<sup>3</sup> The remainder of this report contains no fresh information. The enclosures include the *Exposición que el secretario de estado del despacho del interior de la república de Colombia hizo al congreso de 1824* . . . (Bogotá, 1824); a short 'Account of the province of Zulía in Colombia'; Prices current of produce, with duties on exportation, 30 June 1824; and a number of laws, all of which have been previously referred to with the exception of the law on tonnage, duties, 29 Sept. 1821, which will be found in *Codificación nacional*, i. 69.

*Gross Return of British and foreign trade at the ports within the Consulate of Maracaibo from the 30th September 1823 to June 1824*

[Editorial summary]

	Arrived.			Departed.		
	No. of ships.	Tons.	Invoice value of cargo.	No. of ships.	Tons.	Invoice value of cargo.
British	3	281	£11,850 12 0	2	230	£737 0 0
American	14	1,211	25,999 2 9	14	1,211	17,732 1 3
Dutch	41	919	13,521 6 0	35		5,832 8 0
Danish	12	744	32,757 1 5	10		4,238 6 9
Colombian	13	846	12,552 16 0	12		1,395 0 0

## XII. COLOMBIA (PANAMA)

[F.O. 18/9.]

Malcolm MacGregor<sup>1</sup> to George Canning.

No. 10.

Panamá, 1 September 1824.

I take leave to transmit herewith a report of the commerce within the British consulate of the department of the isthmus of Panamá,<sup>2</sup> for the half year ending the 30th of June 1824, supported by documents as per margin.<sup>3</sup>

This report is drawn up according to the tenor of the instructions with which I was furnished under date of 10th of October, 1823, and although it may not exhibit in so perfect a manner as could have been wished the commerce of this department for the period in question, from the want of a well organized system which has not yet been sufficiently matured, owing to the continuance of the war, under the new order of things, yet these defects will gradually disappear, and it is to be hoped that my next report may be more

<sup>1</sup> Appointed consul at Panama on 10 Oct. 1823, and died on 22 Nov 1832. There is a copy of this report in B.T. 6/39.

<sup>2</sup> On 28 Nov. 1821 a *cabildo abierto* at Panama declared that the old *comandancia general* of Panama was independent of Spain and annexed to Colombia. It was erected into a department by a decree of the Colombian executive of 9 Feb. 1822 and subdivided into the two provinces of Panama and Veragua. Blanco (y Azpurúa), *Documentos* . . . viii. 221, 288. The population of the department, according to a return received from the intendant, was 101,555. MacGregor to Canning, 28 Aug 1824, F.O. 18/9, enclosing a 'Brief sketch of the department of the Isthmus of Panama . . .' This contains a short description of the mines and products of Panama and some remarks on the practicability of an inter-oceanic canal.

<sup>3</sup> Enclosures:—(i) *Reglamento de comercio para el Istmo de Panama segun las leyes sancionadas por el Congreso General* . . . (ii) An Account of the Prices of the several sorts of Corn and Grain. (iii) Return of British Trade . . . in the half year ending the 30th June 1824. (iv) Gross Return of British and Foreign Trade . . .

complete and accurate in every particular. At least no exertion shall be wanting on my part to render it so.

I am given to understand that a considerable decline in British trade within the last twelve months has taken place in this department, which is mainly attributable to the present unsettled state of Mexico and Peru, the whole of the ports from Lima to California having been formerly supplied more or less with British manufactures through the isthmus,<sup>1</sup> and will be again, in a much greater degree, from the measures adopted by his Majesty's Government which have given so much satisfaction and confidence to the commercial body here, on the restoration of order and tranquillity to these countries.

The merchants of this port are also anxiously awaiting the decision of their memorial which was forwarded by me to his Majesty's Government,<sup>2</sup> influenced by the hope that it will meet with attention, and that one or two British cruisers will be ordered to this station, a measure which will, even in the present posture of affairs, be the cause of the revival of trade with the different ports of the Pacific which may be open, as the certainty will then exist of the remittances for such goods being regularly forwarded under such protection to the shippers here, nor can there be any doubt when tranquillity is completely restored to Peru and Mexico that this port, from its geographical position, will become one of, if not the most important point for British trade in the vast continent of America.

**Report of the commerce within the British Consulate  
of the Isthmus of Panamá . . .**

From the peculiar geographical position of the isthmus of Panamá, the Congress of Colombia have found it expedient to enact from time to time certain laws particularly applicable to the regulation of the commerce thereof. The local authorities, with the view of facilitating the public business of the department, have collected these laws together and published them under the title of 'Reglamento de comercio para el Istmo de Panamá'—

<sup>1</sup> Cf. *supra*, pp. 186 and 241; *infra*, p. 337.

<sup>2</sup> MacGregor to Canning, 28 April 1824 (no. 3), F.O. 18/9, enclosing a memorial from British and native merchants at Panama, 27 April 1824. In this the merchants solicit the presence of one or two British ships of war at Panama to protect trade and convey remittances, and argue that Panama is almost exclusively supplied with goods from Jamaica, a large part of which is re-exported.

regulations for the commerce of the Isthmus of Panamá. From the great interest naturally excited in England respecting this very important point of Colombia, which promises to become the immediate channel for the introduction of the finer and more valuable kinds of British dry goods, and at no distant period that of every other species of merchandize, to the vast and extensive coast of the Pacific; and as the knowledge of every circumstance which may afford information on that subject, and tend to disclose not only the particular views of this new Government towards this most interesting part of their territory, as well as those for the protection and promotion of commerce in general, might be acceptable to his Majesty's Government, the consul, to further this object, has considered it his duty to annex to this report a copy of the laws and regulations in question (with a translation) and which will be found in document marked A.<sup>1</sup>

[British imports are] dry goods, consisting chiefly of articles of the following description, viz.:—printed cottons, the greatest proportion narrow and too expensive; navy blues; muslins of all descriptions, white, colored, figured and plain; cotton and linen shirting; cotton and linen checks; platillas; britannias; cotton and linen imitations; rouens; duck; brown Holland; Osnaburgs; handkerchiefs of various description; cotton stockings; lace; bales of cotton tapes; dimities; jean; imitation salemports; York stripes; gingham, etc. etc. etc.

*Woollens*: cloths and kerseymers in small quantities, flannels the same.

*Indian goods*: salemports; blue and yellow nankeens; seersuckers.

*Sundries*: boots, shoes, hats, scissors and cutlery in general, nails, locks, hinges and a few common articles of hardware, earthen and glass wares, glass beads and mirrors.

The quantity of British goods imported into this department far exceeds the importation from all other countries.<sup>2</sup>

Formerly the finest descriptions of cottons were in greatest demand, but latterly the coarser qualities have been more sought after, owing evidently to the poverty caused by the war.

For exportation from this [port] to Mexico, the finest cottons are still, however, preferred.

<sup>1</sup> Not printed.

<sup>2</sup> According to the returns of British and foreign trade enclosed, 5 British vessels, total tonnage 587, invoice value of cargo \$225,000, entered the ports of Panama in the half year ending 30 June 1824. 18 United States vessels entered, 57 Colombian, 6 Peruvian, 2 Mexican and 1 Danish.

German linens and checks are always in great demand at good prices, and offer a strong competition to British corresponding articles.

French linens and silks find a good although a slow market.

The goods of both these countries are introduced in considerable quantities through this isthmus for other ports in the Pacific, principally by Americans from the United States, and by Jews from the island of St. Thomas. Hitherto these goods having been admitted to entry in the United States for exportation at the trifling charge of  $\frac{1}{2}$  per cent., and in the island of St. Thomas at no charge whatever, have afforded great facilities for their introduction through these channels into this isthmus, and from hence into other countries of South America, to the great injury and prejudice of the sale of British manufactures in these markets.

French wines, brandies, oils and liqueurs, are all imported in the same manner, although not to any considerable extent.

About 2,000 barrels of American flour are imported annually into the isthmus for the consumption of the department . . .<sup>1</sup>

The decline in [British] trade for some time back is mainly attributable to two causes: 1st, the present unsettled state of Mexico and Peru, which has caused great stagnation in the commerce of these countries; 2ndly, the total want of means for the safe conveyance of remittances from the different ports in the Pacific, which have been supplied with British dry goods from Panamá. On this part of the coast there are no British cruizers to afford any kind of facility or protection to British commerce. Consequently the conveyance of treasure from one port to another is attended with much hazard and risk, the consignees considering it unsafe to ship it on board of Colombian men-of-war, even when they have an opportunity, which is but seldom, and their mistrust appears to be but too well founded by the recent unfortunate instance of the Santander, the particulars of which will be found detailed in the Consul's letter, no. 8, under date of the 24 August 1824.<sup>2</sup>

<sup>1</sup> The omitted portion of this document consists of references to the *Reglamento de comercio* (*supra*, p. 283, n. 3). This is a digest of shipping and trading regulations already cited in previous reports on Colombia. Goods might be warehoused at the three ports of Porto Bello, Chagres and Panama.

<sup>2</sup> F.O. 18/9. The crew of the Colombian ship, Santander, mutinied and seized the ship while at anchor in the port of Panama. They then set sail on a piratical expedition.

There are good reasons to suppose that there is a million of dollars belonging to the port of Panamá now lying at San Blas (Mexico) and have been for a considerable time past, for want of a safe conveyance. The greatest part of this money is due to the merchants of Jamaica, and if it had been regularly remitted to Panamá, it might and no doubt would have been reinvested (perhaps several times) in the fresh purchase of British manufactures for the same market.

The same difficulty in point of remittances exists in every other port connected with Panamá.

Independent of these two causes there is another very great and unjustifiable disadvantage to which British commerce is liable, not only in this department, but throughout the whole of Colombia. By article 5 of the law of the 28th February 1822 (see the *Reglamento de Comercio, Disposiciones Generales*), it is enacted that 'no foreigner shall be enabled personally to transact his own business without being obliged, should he be determined to sell in the country, to nominate immediately a consignee, who must be a citizen of Colombia with an open house of commerce in some of the cities of the Republic, who shall be responsible to the Customs for all duties, and be obliged to act when required'.<sup>1</sup> So long as this vexatious law which tends so directly to throw every obstacle in the way of foreign commerce shall continue in force, no branches of British commercial establishments can ever be formed on solid grounds within the territory of this Republic. No doubt, however, but this law will come under the due consideration of his Majesty's Government in the event of a treaty of commerce being formed at any future period with Colombia, and that British subjects who may be engaged in commerce within her territory will be placed on a reciprocal footing with Colombians under similar circumstances in the British dominions.

Another grievance that exists, not in this department particularly, but throughout the whole of the Republic of Colombia is the 'Arancel', by which the import duties on foreign goods are levied. It is a remnant of the Spanish colonial system and appears to be altogether objectionable both in its principles and operation, and wholly inadequate for the purposes intended.<sup>2</sup> Instead of taking the invoice as the criterion of the value of a cargo, thereby regulating the import duties accordingly, by this method it is left to the

<sup>1</sup> Decree of 27 Feb. 1822. *Supra*, p. 266.

<sup>2</sup> *Supra*, p. 240, n. 1; p. 266, n. 2.

arbitrary decision of an officer to fix what he considers to be the intrinsic value of the various articles composing such cargo, and by which the duties are determined. This valuation formerly was (and perhaps even now is) invariably incorrect, often from the ignorance of the valuator, but more frequently from corrupt motives. The consul considers it proper to mention the existence of this arbitrary measure within his consulate without urging further comments on the subject, as there can be but little doubt from the disposition of the Colombian Government and the exertions of so able an advocate as Mr. Henderson, H.B. Majesty's Consul-General at Bogotá,<sup>1</sup> for the unrestrained flow of British commerce throughout this extensive and rapidly improving country, that this cause of complaint will be speedily removed, and a law established for the equitable regulation of import and export duties.<sup>2</sup>

<sup>1</sup> James Henderson (1783[?]-1848), appointed consul-general at Bogotá on 10 Oct. 1823 and recalled in Jan. 1830 when the office was temporarily abolished. He left Colombia in July. F.R.S., 1831. Author, amongst other works of *A History of the Brazil* . . . (1821) and an address entitled *Representación á los Americanos del Sud y Mexicanos ; para disuadirles de que concedan ventajas comerciales á otras naciones, en perjuicio de Inglaterra* . . . (1822). I have been unable to discover any general commercial report made by Henderson in the early years of his tenure of the office of consul-general.

<sup>2</sup> Henderson took this matter up energetically and the reforms in the Colombian tariff of 13 March 1826 (*Codificación nacional*, II, 204) were in part due to his exertions. Cf. Henderson to Bidwell, 9 Feb. 1826, F.O. 18/29.



### XIII. GUATEMALA

[F.O. 15/5.]

John O'Reilly <sup>1</sup> to George Canning.

No. 3.

British Consulate,  
Guatemala.

22 February 1826.

In my despatch No. 2 of December 31st, sent via Vera Cruz, duplicate January 3d. by Omoa, I had the honor to inform you that I hoped to be able to make my general commercial report early in this month. The tardiness which pervades every department of this government has, however, frustrated that intention.<sup>2</sup>

In the month of October last I gave to the Minister of the Finance, and to the consulado, forms for making returns of the exports and

<sup>1</sup> Appointed consul for Guatemala on 26 April 1825, O'Reilly was murdered by a servant early in Jan. 1828. There is a copy of his report in B.T. 6/47.

<sup>2</sup> In Guatemala independence was the result of the liberal revolution of 1820 in Spain and the success of Iturbide and his Plan of Iguala in Mexico (*infra*, p. 300, n. 2). An assembly at Guatemala City declared the independence of the old captaincy-general on 15 Sept. 1821. (*B.F.S.P.*, ix. 854). The province of Chiapas had already declared its adherence to Mexico, and in January 1822 the junta of Guatemala followed this example. For a brief period the authority of Iturbide extended to Panama, but he had to send troops to stifle disaffection, and on the news of his fall an assembly representing the five provinces of Costa Rica, Guatemala, Honduras, Nicaragua, and Salvador declared that these were independent states confederated as the United Provinces of Central America (1 July 1823, *ibid.*, xi. 874). A constitution on the model of that of the United States of America was promulgated on 22 Nov. 1824 (*ibid.*, xiii. 725). Chiapas remained a part of Mexico. Severe factional quarrels and inter-state jealousies soon rent the new federation which only survived till 1838. Humboldt's estimate of its population in 1823 was 1,600,000, but this may be an under-estimate. *Personal narrative*, vi. 127, 131; [M. Montufar], *Memorias para la historia de la revolución de Centro-América* (Jalapa, 1832), pp. xvi-xvii.

imports, which the Minister assured me he had sent to the officers of the Customs at the different ports, with peremptory orders to return them filled up immediately after the close of the year, and a similar return once in four months. Having repeatedly applied for these documents, I am, at the moment of Mr. Schenley's <sup>1</sup> departure for England, informed that they will not be ready before March.

In the mean time I feel it to be my duty to lay before you, Sir, such information as I have been able to collect, commencing with a brief recapitulation of the substance of all the legislative measures since the Independence which have an influence on trade, particularly such as affect British interests, which I have ascertained that Mr. Thompson <sup>2</sup> was furnished with for the information of his Majesty's Government, and following, more in detail, with those decrees on the same subject up to the present time.

1st. The substance of the Arancel, or tariff of duties, is as follows:—<sup>3</sup>

1822: February 10th. The national duties which the merchant must pay are those which this tariff expresses, according to the respective rate of products and goods.<sup>4</sup>

Class 1st. It is prohibited to export money, called cut; gold, not coined or worked; silver, not coined or worked. It is prohibited to import books, printed or manuscript, contrary to religion or good morals.

It is permitted to import and export all products and goods which this tariff does not prohibit.

<sup>1</sup> Edward Wyndham Harrington Schenley, appointed vice-consul for Guatemala on 5 July 1825. Ill-health compelled his return to England. He was appointed consul at Puerto Cabello on 9 June 1828.

<sup>2</sup> George Alexander Thompson had served as secretary to the Commission sent by Canning to Mexico. (Cf. Webster, no. 224). In Jan. 1825 he was instructed to proceed to Guatemala to report on the state of affairs there. His report, with a covering letter to Canning, dated 3 Dec. 1825, is in F.O. 15/1, and its 47 appendices fill F.O. 15/2 and 15/3. Almost the whole of this report (but not the appendices) is incorporated in his *Narrative of an official visit to Guatemala from Mexico* (London, 1829). The omissions are not important and some few statistics have been corrected in the printed version. There is a Spanish translation of the *Narrative* in *Anales de la Sociedad de Geografía e Historia de Guatemala*, vi (1926), pp. 51, 191, 326, 429 ff. Thompson is best known for his translation and edition of Antonio de Alcedo's *Diccionario geográfico-histórico de las Indias Occidentales ó América*, published at London in 5 vols., 1812-14.

<sup>3</sup> *Arancel provisional para las aduanas de Guatemala, febrero 10 de 1822*, B.T. 6/47.

<sup>4</sup> 'segun la clase respectiva de los frutos y generos.'

Class 2d. It is permitted to import free of duty books, printed or manuscript, bound or unbound ; instruments useful in science ; musick, written or printed ; instruments, or machines, useful in agriculture, mining, arts and trades ; quicksilver ; seeds of plants not cultivated here ; gold or plate, coined, in plates or bars. All products the growth of, and goods and merchandize manufactured in these provinces of Guatemala [may be exported duty-free], with the exception of the following expressed in

Class 3d. They shall pay on exportation :—

	Spanish Packages.	Value.	per cent.
Spirits made from sugar cane		4 dollars	10
Ornaments of gold or silver		on value	4
Indigo	Bale 150 lbs.	8½ ds.	2
Balsam	Case 15 lbs.	75 "	2
Balsamito	" 30 bottles	30 "	2
Cocoa	" " "	37½ "	2
Gold, coined			4
Silver, coined			4
Do. worked	[mark]	8 "	4

Class 4th. They shall pay ad valorem :—

Goods of cotton, white or printed, mixed or unmixed, being manufactured in any province of America which has declared itself independent of the Spanish Government	6 per cent.
Goods of cotton, white or stamped, mixed or unmixed, being manufactures of any foreign nation	10 " "
Goods of linen, silk or wool and all products and wares being manufactured in any province of America which has declared itself independent of Spain	4 " "
Goods of linen, silk or wool of every description, also products and wares being invented <sup>1</sup> or manufactured in any foreign country.	10 <sup>2</sup> " "

Paying the duties which this tariff establishes, the interior circulation and traffick of goods and products shall be free of any other national contribution.

The national duties which this tariff fixes must be understood without prejudice to the municipal duties which were or may be established hereafter.

The alcabala, or municipal duties above referred to will be found in a summary of the national duties payable on goods imported, sent herewith.<sup>3</sup>

<sup>1</sup> ' cosechados.'

<sup>2</sup> 6 p.c.

<sup>3</sup> Not printed. These dues amounted to 2 p.c. There was an additional one real p.c. for storage on goods imported via Omoa and the Gulf.

1824: January 24. A decree of this date consists of two articles:—

Article 1st grants a privilege of exemption from duty for 5 years on fire arms, ammuniton and accoutrements brought into the Republick.

Article 2d grants the same privilege, for five years, of exemption from duty *to ships* which, along with arms, shall bring other goods, on such goods to an amount equivalent to the value of the arms.

On the 6th July 1825 the above absurd law was modified by a decree which limits the privilege before granted to *the owner* of the arms imported, and specifies that the goods exempted must be imported in the *same ship* with the arms,<sup>1</sup> and [on] September 26th, 1825, both the above laws were repealed, but to remain in force for seven months after its publication in the capital, which took place on the 12th October last.

1824: February 6th. The port of Liberty in the province of St. Salvador is declared a free port by a decree of this date. Liberty is granted to said port, for ten years, of free exportation of all national goods and products without payment of duty to, and on importation from, any port of America, formerly Spanish, which shall pay  $\frac{1}{2}$  per cent. only for the construction of barges, or launches, and other objects, for the improvement of the port. The ships and cargoes proceeding from the other parts of America must pay, besides the  $\frac{1}{2}$  per cent., one half of the alcavala duties already established. This privilege also granted for ten years.<sup>2</sup>

By a decree dated 1824: February 10th, the ancient port of Ystapa, now Independencia, in the district of Escuintla and state of Guatemala, is opened as a free port with the same privileges as the port of Liberty.<sup>3</sup>

1824: March 27. The conveyance and transshipment of goods imported into the ports of the Republick, now opened, is permitted for any other port, whether they come from America, formerly Spanish, or any foreign nation. The permission in the foregoing extends to the goods of foreign proprietors. This under the guarantee of the laws and not to be violated as reprisals in time of war, or on any occasion.

The goods declared for transit shall pay 2 per cent. only in the port of entry, and the same duty in that from which they are

<sup>1</sup> *El Indicador*, 18 July 1825.

<sup>2</sup> *Gazeta del Gobierno Supremo de Guatemala*, no. 1, 1 March 1824.

<sup>3</sup> *Ibid.* I have had access only to an incomplete file of this paper.

shipped. In the transshipment alone they shall pay the import duties. (The rest of this decree refers to Custom House regulations to prevent frauds on the revenue.) This law to be in force until the formation of a commercial code which will be announced.

1824: April 3d. It is permitted by this decree to all foreign passengers, or travellers, the sale of all goods and effects which they may introduce into any part of the territory of these United Provinces which the natives have, without any distinction.

1824: July 13th. The port of St. Carlos in the Bay of Conchagua is declared a free port. The privileges granted are precisely the same as in the ports of Liberty and Independence.

(Note. The three ports opened are on the Pacifick.)

1824: September 6th. A decree of this date enacts that all goods and effects imported shall pay an additional duty of four per cent. more upon the duties prescribed by the tariff of the 10th of February 1822. This impost not to be permanent, and to continue only while the exhausted state of the Treasury requires it. It shall take place from its publication in the ports.

1825: July 8th. A decree of this date declares that the merchant who imports goods on his own account, and pays the importation duty thereon, shall not pay any alcavala duty in any State, but if the goods change hands, then the duty of alcavala may be charged on a part, or the whole, in the place or places of their consumption.

The Assemblies of the States shall fix the regulations suitable for the collection of these duties, but they shall not demand them on any home or foreign goods or produce which may be sent by permit from the interior to any port or frontier for exportation.<sup>1</sup>

1825: August 23d. This decree is passed to prevent the introduction of wild or spurious cochineal. A duty of 14 per cent. is laid on the importation of cochineal, but no exportation duty. Cochineal not presented for permits in the ports and frontiers shall be seized.

The cochineal above described shall be examined by two intelligent men, appointed by the Revenue Officer and the owner, to be detained at the Custom House until examined, and if found adulterated it shall be seized.<sup>2</sup>

1825: March 17. A decree was proposed in the Congress imposing additional duties on the importation of various articles of

<sup>1</sup> *El Indicador*, 18 July 1825.

<sup>2</sup> *Ibid.*, 5 Sept. 1825.

merchandise, which I mentioned in my despatch of the 31st December, and of which I enclose herewith a copy and translation.<sup>1</sup>

Considering this decree injurious to British interests, and the government having led me into many errors respecting its nature and substance, I remonstrated with the Minister of Finance, while it was yet pending, upon the principle, the vague manner in which it was worded, and upon the short time intended to be allowed for its taking effect. The Minister assured me that he was averse to the principle and had opposed it in the Congress, that he feared it was then too near the close of the session of the Congress to hope for any material alteration of the law, but that he would exert himself to procure an extension of the time for its being in force. I said I should feel it my duty to address an official letter to him on the subject of this decree, to which he replied that he would be glad to have his opinions supported by such a letter. Accordingly, on the following day I wrote the letter a copy of which is inclosed.<sup>2</sup> This letter produced no other effect than a clause, stating that instruments useful in agriculture, mining, arts, etc., shall not be comprehended in this decree, and that it shall not take effect until five months after its publication in the ports of the Republic, and which publication will not take place until 5 months after its publication in this capital.

It will appear by a letter from the Minister of Finance to me, dated December 29th,<sup>3</sup> that the decree in question had not then passed the Senate, and by the *Gazettes* of the 24th December, 4th and 10th of January, sent by Mr. Schenley for reference, that the errors and alterations were not corrected before the last mentioned date. In the mean time I thought it my duty to send copies of the decree to his Excellency the Governor of Jamaica and to General Codd,<sup>4</sup> Superintendent of Belize, for the information of his Majesty's trading subjects in those colonies.

You will no doubt perceive, Sir, in looking over the long list of articles in this new tariff, that the first imposes a duty of 30 per cent. on rum from British possessions, and the third a duty of 20 per cent. only, on French and Spanish brandies. I have spoken

<sup>1</sup> Not printed. No collection of the early laws of Central America has been available to me. It was proposed to increase the duties on shoes, clothes, plated ware, iron, cottons, woollens, white thread, and spirituous liquors.

<sup>2</sup> O'Reilly to José Beteta, 16 Dec. 1825. Not printed.

<sup>3</sup> Not printed.

<sup>4</sup> Major-General Edward Codd, superintendent of Belize, Jan. 1823–May 1829.

strongly to the Government on this evident injustice to British merchants and I shall urge the objection still more strongly when the Congress resume their sittings in March.

I should have observed, that all former duties are included in the present tariff.

On the 21st November last, I handed to the Secretary of State, Señor Sosa,<sup>1</sup> a memorandum containing several queries on the state of trade in this country. On the 16th inst. I received his reply (sent herewith)<sup>2</sup> which is by no means satisfactory. A reference to this document will shew how miserably deficient it is in details, except as to the present prices of grain and hides. His remark upon the trade of this city is also vague and inconclusive. I believe the amount of the trade annually is a little, but not much, exaggerated,<sup>3</sup> but the whole of the trade is retail, nor would it be possible to sell a cargo, or large quantity of goods here, however well adapted for the market, by wholesale, which is one of the causes why there are no British merchants in this capital, and of the whole trade being in the hands of natives and Spaniards; another is the great delay attending the transport of goods from the Atlantic, which suits the habits of the natives, but which an English merchant could not afford time to submit to.

The deficiencies in the Minister's statement are in a great measure supplied by a communication which I received from a merchant of great intelligence and high character in this city, in answer to a letter addressed to him by me on the 30th December last on the same subject as my questions submitted to the Secretary of State. It would be easy to adopt the information which this letter contains as if I had derived it from various sources, but, although it partakes somewhat of a private character, I deem it more proper not to weaken its effect by any transcription, although it has lost much of its spirit by my translation. I therefore beg leave to inclose it.<sup>4</sup>

You will perceive, Sir, by both the last documents referred to, how little is known here with respect to the ports and harbours of the Republick, particularly on the coast of the Atlantic, and the Minister's reply to my question, the 6th, shews that they have not yet decided on the point of communication between that sea

<sup>1</sup> Juan Francisco Sosa.

<sup>2</sup> Not printed.

<sup>3</sup> The annual trade of Guatemala City was estimated by Sosa at more than \$4,000,000 annually. Cf. *supra*, pp. 186-8, and Thompson, *Narrative*, pp. 480-96.

<sup>4</sup> Mariano de Aycinena to O'Reilly, 10 Jan. 1826. Not printed.

and the interior. I understand the harbour and fort of Omoa are in a state of dilapidation, and that the government intend to send all the convicts from this city to repair them and erect barracks.

I have called the attention of the government to the port of Truxillo on the Atlantic, having heard that some merchants in London and Jamaica expressed a favorable opinion of its situation and capability, as well as on account of the climate being better than that of Omoa. I do not find the government disposed to view it in the same light. Its great distance from the capital and the most fertile and populous districts on the shores of the Pacific induce a belief that fifty years must elapse before it can become a port of consequence, its trade being confined to the supply of Tegucigalpa, a mining district on the north side of the mountains which separate it from the capital, from which it is distant above 200 leagues. The unfavorable impression of the government respecting Truxillo is confirmed by a report lately made to them by an engineer who surveyed the port, a copy of which is inclosed.<sup>1</sup>

The attention of the government is now turned towards a harbour very little known, called La Graciosa, which has also been lately surveyed by the same engineer, a copy of whose report, translated, I send herewith.<sup>2</sup>

There are three other projects before the government for making a harbour on the Atlantic side, and a communication from thence to the capital. The first is the removing or deepening the bar at the entrance of the Gulf River and by a mole at the present small Bay of Ysabal and a temporary mule road from thence across the mountain to Gualan, and a carriage road from Gualan to this city.

The second is, the bar at the entrance of the Gulf River being removed, a harbour to be made at Refugio, west of Ysabal. From one of the points at the present small harbour there called 'Punto de Frayles', a road might be made without much difficulty to Gualan, avoiding the great and almost impassable mountain of Ysabal. Gualan is about 50 leagues from the capital.

The third plan is to form a harbour at the mouth of the River Polochique, which empties itself into the Gulf of Dulce, at the entrance of which also there is a bar, after crossing which there is a good depth of water, in some parts of five or six fathoms, and in all for piraguas, or small schooners, and for steam boats, as far as Chamaquen, within forty leagues of the capital.

<sup>1</sup> B.T. 6/47. Not printed.

<sup>2</sup> Not printed.



This last I conceive to be the most eligible, as it brings water carriage so near to this city, but it does not run through a very rich district. The Government say they will soon come to a decision and should they determine on clearing the bar at the entrance to the Gulf River and making a harbour in the Gulf of Dulce, they intend to couple therewith the building a village and forming a colony of Europeans at the point fixed on.

With respect to the ports on the Pacific, the government have long promised me particulars, and I have also expected answers from the only two British merchants I could hear of having establishments, one in Sonsonate the other at St. Salvador,<sup>1</sup> but have not yet received them. I must for the present therefore beg leave to refer you to the letter of my friend Señor Aycinena,<sup>2</sup> inclosed (No. 7) for the best information regarding them which I have yet been able to obtain.

The commerce in the ports of the Pacific is certainly increasing considerably, and there are a good many British vessels engaged in it, but it is confined to a coasting trade. This circumstance, and the government not having decided on the point of where they will fix a port on the north coast from whence to form a communication with the capital, makes it extremely difficult for me to suggest the places or districts where consuls should be placed with most advantage to British trade.

On looking narrowly into, and transcribing, the decrees granting exemption from duties for ten years to the ports of Liberty, Ystapa, or Independence, and St. Carlos de Conchagua on the Pacific, I found in the last article of the decree, quoted in this despatch, the following words as the substance of that article—'The ships and cargoes proceeding from *the other parts of America* must pay, besides the  $\frac{1}{2}$  per cent., one half of the alcavala (municipal) duties already established.'

It appeared to me that this clause, or article, in its literal acceptation, gave a privilege to the United States and to Canada, Nova Scotia, etc., from which England and the rest of Europe were debarred. I wrote a short note to the Minister of Finance asking an explanation, and afterwards called on him as he stated his

<sup>1</sup> Thompson, however, met four Englishmen at Sonsonate 'engaged both in the coasting trade of the country, and in shipping to England cochineal, hides, indigo and other articles peculiar to the place'. *Narrative*, pp. 82-3.

<sup>2</sup> Possibly the Mariano de Aycinena who was Jefe de Estado de Guatemala from 1 March 1827 to 12 April 1829 and was exiled in September of that year.

inability to comprehend my meaning. He was convinced by my reasoning of the tendency of the article in question, and requested I would write him an official note, previous to the meeting of the Congress, which he would lay before that body, and has no doubt that the mistake will be corrected.

I have this moment received a list of the vessels which have entered the port of Acajutla, or Sonsonate, which may be considered the port of Guatemala, in the years 1824 and 1825. I have not time to put this document in the prescribed form of columns, which I shall do with the general returns of exports and imports when I have received them. In the mean time I send it, as it may give some idea of the trade in the ports of the Pacific, bearing in mind that this is not one of the favored free ports.<sup>1</sup>

The province of Nicaragua is likely to become of the utmost consequence both to this country and to its trade with Great Britain, for which it possesses immense advantages, all at present dormant by reason of the dissensions which distract and weaken it internally, and the want of harmony between that State and the Federal Government.

I should have thought the town of Grenada on the Lake of Nicaragua an eligible station for a British consul, as the captains and supercargos of British ships which arrive by the River San Juan on the Atlantic come there to pay the duties and take in timber, etc., but my latest accounts are not flattering of the present state of the trade in that quarter or its probable increase until the country is more tranquil and a new impulse is given to trade by the government. There has been a vice consul of the United States there for some time<sup>2</sup> who is about to be withdrawn and who gives a deplorable description of the state of morals, and administration of justice there.

The government say they will decide upon the several offers for a contract to open a communication between the two seas, by a canal and the Lake of Nicaragua, in a few days.<sup>3</sup>

I think it right to mention to you, Sir, that in a conversation

<sup>1</sup> Not printed. According to this list 11 English vessels entered these ports, 4 American, 2 national, 2 Colombian, and 5 unspecified.

<sup>2</sup> The United States had appointed Charles Savage consul to Guatemala on 19 April 1824.

<sup>3</sup> See Thompson, *Narrative*, pp. 193-201. Offers to build a canal were made, amongst others, by Barclay, Herring & Co., and by A. H. Palmer of New York, to whom the contract was given. But the enterprise was abandoned for lack of capital.

with the President,<sup>1</sup> when complaining to him how little information the Ministers had given me on commercial subjects, and pressing for answers to the questions I had put, particularly as to the exports and imports, he said they felt ashamed and embarrassed at the appearance on paper which so trifling an import of British manufactures would present, which he attributed to the great extent of contraband trade carried on from Belize into this territory, and he called upon me to aid this government in suppressing it.<sup>2</sup>

I answered that it formed a part of my instructions to discountenance such proceedings, but from the enquiries I had made at Belize on my way here, as to the manner in which the trade was carried on between that settlement and this country, I found that in nineteen cases out of twenty the merchants of this country went to Belize with hard dollars, indigo, or other produce, and bought or bartered with the merchants for British goods. Therefore, that their own citizens were the smugglers and the only remedies for smuggling were low duties, good roads, and honest Custom House officers . . .

I cannot close this despatch without reiterating the opinion which I gave in a former that, notwithstanding the backwardness of this country and the inertness of the present weak and temporizing government, the germs of wealth and greatness exist here ; and I believe it is not hazarding too much to say that looking forward to a more propitious state of things internally, no part of this continent presents so fair a prospect of important advantages to British interests.

<sup>1</sup> Manuel José Arce, first president of Central America, exiled in Sept. 1829, and died in 1847.

<sup>2</sup> Thompson expressed the opinion that owing to the proximity of Belize, Guatemala was better supplied with British goods than Mexico. He estimated that the imports from Jamaica were nearly half a million sterling, and from Belize more than two million, of which one and a half represented British dry goods. One half of the merchandise imported into Guatemala, he thought, was British. *Narrative*, pp. 486-7, 490.

#### XIV. MEXICO (VERA CRUZ)

[F.O. 50/7.]

Charles Mackenzie<sup>1</sup> to George Canning.

No. 14.

Xalapa, 24 July 1824.

The period having elapsed within which I am bound by my instructions to transmit my report on the state of the trade within the consulate of Vera Cruz, I shall endeavour to carry your directions into effect, although I am keenly alive to the imperfections of any document which it is possible for me to draw up under the existing circumstances of the country.<sup>2</sup>

<sup>1</sup> There is a duplicate of this report in B.T. 6/53. Charles Kenneth Mackenzie (1788-1864) was appointed consul at Vera Cruz on 10 Oct. 1823 and returned to England in March 1825. He was consul-general at Haiti from 5 Jan. 1826 to Oct. 1828.

<sup>2</sup> In Mexico the movement for independence followed a distinctive course. On the news of the Napoleonic invasion of Spain and of the rising of the Spanish people, Viceroy José de Iturrigaray summoned a general junta on 9 Aug. 1808, and even called a congress from the cities of New Spain. But before this could meet, a group of European Spaniards, with the connivance of the *audiencia*, deposed the viceroy and imprisoned creole leaders. The movement in the capital was crushed, but in the difficult years from 1808 to 1810 four viceroys succeeded each other. Meanwhile, on 16 Sept. 1810, a priest, Miguel Hidalgo y Costilla, raised the standard of revolt at the village of Dolores and led a formidable Indian insurrection. Hidalgo was captured, and executed in July 1811, but his work was carried on by another priest, José María Morelos, also captured, and executed in Dec. 1815. The revolt, however, was still not finally crushed at the time of the Spanish liberal revolution of 1820. Highly alarmed by this last event, the conservative classes in Mexico determined to save New Spain from the dangerous innovations of Old Spain. They found an instrument in a young creole, Agustín de Iturbide. Iturbide, sent by the viceroy against the guerrilla leader known in Mexican history as Guadalupe Victoria, suddenly made terms with him, and on 24 Feb. 1821 published the Plan of Iguala (*B.F.S.P.*, ix. 398). This plan proclaimed

The abandonment of the city of Vera Cruz by its respectable inhabitants, the scattering of the members of the Consulado over different parts of the Mexican territory, the irregularity of, and consequent difficulty of obtaining accurate information from the public offices, the partition of the trade formerly centred in Vera Cruz among the various ports of the Mexican gulf, and the very great diversity of statements on the same topics by private individuals, who ought to possess the best information, render it nearly impossible to arrive at such facts as will justify any very decided opinions. I trust, therefore, that you will consider the communication which I now have the honor of laying before you rather as an outline, the details of which will be hereafter completed, than as one pretending to perfect accuracy. Indeed nothing but my determination to avoid swerving from my instructions could have overcome the extreme reluctance I feel to transmit a document so little resembling that which at one time I hoped to have submitted to you.

From the time of the first establishment of the city of Vera Cruz, at the close of the sixteenth century, to the year 1812, its harbour was the only port of entry on the Atlantic coast of the Mexican Dominion. The narrow policy of the Spanish government, backed by the wealth and intrigues of the Vera Cruz merchants, successfully opposed every attempt to establish ports of entry at any other point, until the last named period, when the political state of the country extorted the boon which had been so long denied. But it was conceded merely to Tuspan and Tampico, for the avowed purpose of aiding the trade of Vera Cruz.<sup>1</sup>

Roman Catholicism, equality, and independence, and pronounced in favour of a monarchy. A new viceroy, landing at Vera Cruz, was compelled to accept the plan by the treaty of Córdoba (24 Aug. 1821), and in September Iturbide and his army entered Mexico City. A congress met in February 1822 and proclaimed Iturbide emperor in May (*ibid.*, ix. 799). But within ten months the emperor was compelled to abdicate and fly the country. He returned to his death in July 1824. Meanwhile a republic had been established. A triumvirate was set up in March 1823, a constitution on the model of that of the United States promulgated on 4 Oct. 1824 (*ibid.*, xiii. 701), and the first constitutional president, Guadalupe Victoria, inaugurated on 10 Oct.

<sup>1</sup> Tuxpán and Tampico were opened for the coasting trade in 1811. Lerdo de Tejada, *Comercio exterior de México*, p. 21, and núm. 24, note 10. It should, however, be noted that Yucatán and Campeche had received permission to trade directly with Spain by the royal order of 5 July 1770. *D.H.A.*, v. 249.

Subsequently to the declaration of independence, in the year 1821,<sup>1</sup> Tampico, Alvarado,<sup>2</sup> and Guasacualco, have been declared by the government ports of entry to vessels of all nations,<sup>3</sup> but the last of these is for the present closed by an order of the Supreme Government.

This extension of privilege has been productive of some important changes in the mode of carrying on business, to which it may not be improper to advert in this place, as a knowledge of the facts may throw some light on the defects in which every report from this coast must abound.

Formerly the principal and most opulent merchants of New Spain were established in the city of Vera Cruz. They were either old Spaniards or their immediate descendants, strongly attached to the mother country, and possessing an enormous capital. These individuals, whether importing at their own risk, or acting as the agents of houses in Spain, were accustomed to sell their goods on the coast to the wholesale dealers of the interior, who usually came down to Vera Cruz for the purpose of purchasing and of afterwards distributing them among the various retailers that in their turn supplied the inland consumers.

The city of Mexico was thus merely a place of transit, except for such articles as were actually consumed there, while Vera Cruz was the great depôt for all European productions, excepting such as were clandestinely introduced along the coast.

Since 1810 nearly the whole of the opulent Spanish merchants have withdrawn their families and capital from New Spain, and

<sup>1</sup> An Act of Independence was issued by the Soberana Junta on 6 Oct. 1821 *Colección de órdenes y decretos de la Soberana Junta Provisional Gubernativa*, 1. 8.

<sup>2</sup> Alvarado superseded Vera Cruz as the principal port of entry during the occupation of the castle of San Juan de Ulúa by the Spaniards. *Infra*, p. 316, n. 1.

<sup>3</sup> By decree of 9 Nov. 1820 the liberal Spanish Cortes (whose acts were subsequently disavowed by Ferdinand VII) ordered the opening of all the major and many of the minor ports of the Indies to foreign commerce. 44 ports in all were enumerated, and warehouses were to be established in the principal ones. *Colección de los decretos y órdenes generales*, vi. 383. On 15 Dec. 1821 the Junta Provisional Gubernativa of Mexico promulgated an *Aran cel provisional*, which declared that commerce was free to all nations, that foreign ships would be admitted in all properly equipped ports, and that these ports were those which the Cortes had enumerated in its decree of 9 Nov. *Colección de órdenes* . . . , i. 48. Cf. Macedo, *La evolución mercantil*, p. 47.

it is estimated that the amount of the latter does not fall short of one hundred and forty millions of dollars.<sup>1</sup>

The individuals are, now, principally replaced from Great Britain; and as these are almost exclusively commission merchants, they find it more advantageous to supply directly the retailers. They have, therefore, all established themselves in the city of Mexico, having mere agents at the ports for the purpose of forwarding the goods shipped to their consignment from Europe.<sup>2</sup>

The trade of the maritime provinces (as regards their own consumption) is very trifling. That of Xalapa, which is now the principal place for internal business in the state of Vera Cruz, does not exceed six hundred thousand dollars annually.

Vera Cruz and Alvarado may be considered mere places of transit for Mexico, and Tampico bears the same relation to Guadalupe, and other great depots within the province of Jalisco and the other western and north western states.

In order to convey any information respecting the present state of the trade of Vera Cruz, it is necessary to take a short retrospective view of what it has previously been, and it becomes a matter of some difficulty to decide on a period at which that retrospect should commence. As some very interesting points are established by reverting to the earliest period to which any documentary evidence refers, viz. the year 1796, when the reports of the Consulado commenced (that Corporation having been established the preceding year by a Royal Cedula)<sup>3</sup> I shall introduce the more modern statement by an abstract of the general Balance Sheets of the Consulado from the year 1796 to 1820 both inclusive.<sup>4</sup>

After this last, a new era in the commerce of Mexico may be

<sup>1</sup> H. G. Ward, the British chargé d'affaires from 1825-7, was of opinion that had even 80 millions been withdrawn the country would have been left without any circulating medium whatever. His own estimate was \$36½ millions. *Mexico in 1827*, ii. 36-7.

<sup>2</sup> Cf. Ward, *op. cit.*, i. 429-31. By 1826 there were said to be 14 English commercial houses in Mexico City, of which two were partly German. Eight had permanent establishments at Vera Cruz. There were four North American houses at Mexico City and three German, and an 'immense number' of foreign shopkeepers, principally French. C. Dashwood to Canning, 20 Aug. 1826, F.O. 50/28.

<sup>3</sup> The *consulado* of Vera Cruz, established by *real cédula* of 17 Jan. 1795.

<sup>4</sup> These balance sheets from 1802 to 1812 and from 1816 to 1819, together with a general balance sheet covering the years 1796-1820, are printed in the invaluable work of Lerdo de Tejada, *Comercio exterior*, núms. 14-29. There are some slight discrepancies between these and Mackenzie's figures.

said to have commenced, as in the following year the dominion, and consequently the commercial monopoly, of Old Spain expired.

During the twenty-five years alluded to the amount of the trade of Vera Cruz, exclusive of smuggling was as follows :—

*The value in dollars of the exports*

To Spain	\$197,853,520	
„ Cuba and other parts of Spanish America	49,388,246	
„ Foreign countries	32,292,457	\$279,534,223

*Imports*

From Spain	\$186,125,113	
„ Cuba, etc.	51,008,190	
„ Foreign countries	21,972,637	259,105,940
<i>Total exports and imports</i>		<u>\$538,640,163</u>

*The exports consisted of the*

Precious metals	\$209,777,206	
American produce	69,757,017	\$279,534,223

*The imports were*

European productions from Spain and her dependencies	\$224,447,132	
American produce	34,658,808	259,105,940
<i>Total amount for 25 years</i>		<u>\$538,640,163</u>

Above nine-tenths of this was monopolized by the parent state, as will be shown by the following statement :—

Value in dollars of trade between Spain and her dependencies with Mexico from 1796 to 1820 both inclusive	\$484,375,069
Value during the same period with other countries	54,265,094
<i>Total amount for 25 years</i>	<u>\$538,640,163</u>

And even this small amount of direct trade with other countries arose from accidental circumstances which induced the court of Spain occasionally to relax from the system of monopoly, but most especially so in the years 1807, 1808, and 1809,<sup>1</sup> during which short period

<sup>1</sup> 1805-8, in which years neutral ships were permitted to trade. Lerdo de Tejada, *op. cit.*, p. 20 and núm. 14. Three separate orders in 1809 (10 Jan., 17 March, and 10 July) forbade foreign commerce in American ports. Zamora y Coronado, *Biblioteca de legislación ultramarina*, ii. 264.



# MEXICO (VERA CRUZ)

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Gold and silver were exported to the amount of	\$27,825,504	
Cochineal to the amount of	2,043,480	
Sugar       "       "       "       "	554,652	
	<hr/>	
	30,423,636	
And the direct imports, chiefly manufactures, to	19,202,912	
	<hr/>	
	\$49,626,548	
The remainder was distributed among the years 1817, 1818, and 1820 . . . <sup>1</sup>	4,638,546	
	<hr/>	
	\$54,265,094	

From the foregoing statement it appears that during the whole period of twenty-five years the average annual value of the commerce was as follows:—

## Exports

Of precious metals	\$8,391,088	
Other produce	2,790,280 $\frac{2}{3}$	\$11,181,368 $\frac{2}{3}$

## Imports

Of European manufactures, etc.	\$8,977,885	
Of other produce	1,386,352 $\frac{1}{2}$	\$10,364,237 $\frac{1}{2}$

<i>Total annual average value of the trade</i>	<hr/>	<hr/>
	\$21,545,606 $\frac{1}{3}$	

Of the imports four-tenths were the produce and manufactures of Old Spain and her colonies, and the remaining six-tenths were the manufactures of other European countries indirectly imported through Spain and Cuba, the returns for which were made through the same medium.<sup>2</sup>

<sup>1</sup> On 23 Dec. 1817 229 merchants of Vera Cruz subscribed to a pamphlet which advocated free trade; in Jan. 1819 the secretary of the consulado offended the viceroy by incorporating in his annual report an argument in favour of free trade; and on 12 Oct. the prior of the consulado himself addressed the viceroy on the necessity of opening the port to foreign commerce. A royal order of 27 Sept. 1819 forbade the entrance of foreign vessels under any pretext whatever, but the returns of the commerce of Vera Cruz show that foreign ships entered in 1817, 1818, and 1820. C. M. de Bustamente, *Cuadro histórico de la revolución Mexicana* (2nd ed., 5 vols., Mexico, 1843-6), iv. 522-5; Lerdo de Tejada, *op. cit.*, núms. 14, 27, 28.

<sup>2</sup> The above figures were borrowed from Mackenzie by Ward and printed in his *Mexico in 1827*, i. 415-18. Ward notes that to the exports must be added the value of the precious metals exported on the royal account (which

It is worthy of remark that at this time the annual average value of the internal trade of Mexico was \$227,812,939, of which the value of the native cotton and woollen manufactures consumed in the country amounted to \$10,401,000.

From these details no estimate can be formed either of the increase or decrease of the exports and imports of this country, and still less of the changes with respect to any particular article. The long protracted war between Great Britain and Spain, and the contest for independence, which so soon succeeded it, produced each in its turn such variations in the supplies from, as well as in the returns to, Europe as to baffle all reasoning on any progressive changes.

Thus, for example, in one year (1797) the total value of all the exports and imports of New Spain only amounted to	\$3,656,920
In five years after they reached	60,445,955
In the following year they were reduced to	34,349,635
Then they rose to	37,983,624
And in the succeeding year they fell to	4,255,137
During the remaining fifteen years the value has varied from ten to forty-eight millions of dollars annually. <sup>1</sup>	

Notwithstanding the inapplicability of the foregoing facts to the more immediate objects of this report they establish some useful points which it will probably be worth while to keep in view.

First. They shew that the average annual value of the whole of the trade of this country with the exception of that carried on through San Blas and Acapulco (which never exceeded in value one million and a half of dollars,<sup>2</sup> and consisted exclusively of Asiatic produce) for twenty-five years amounted to \$21,545,606 $\frac{1}{2}$ .

do not figure in the *consulado* returns) and to the imports the value of the royal monopolies of quicksilver and tobacco. The former (taking the average value from 1779 to 1791) he computes after Humboldt, at \$8,340,667 annually, the latter at \$1,500,000. This brings the average value of the exports to \$19,522,035, and of the imports to \$11,864,237. Lerdo de Tejada, *op. cit.*, pp. 25-7, deducts 25 p.c. from the value of the imports introduced through Vera Cruz on account of the monopoly prices imposed by the old Spanish houses that controlled the *consulado*. The value of the import trade would thus be well under 10 millions. These calculations ignore the trade of Acapulco (*infra*, no. XV) and the contraband trade, which Humboldt estimated at about \$5,000,000 in time of peace. *Essai politique*, ii. 730. See the discussions in *ibid.*, ii. 696-748; Lerdo de Tejada, *op. cit.*, p. 27; Macedo, *op. cit.*, p. 34.

<sup>1</sup> Lerdo de Tejada, *op. cit.*, núm. 14.

<sup>2</sup> *Infra*, p. 332, n. 1.

Second. That in spite of the singular advantages of climate, of large population, of extent and variety of soil possessed by Mexico, the gold and silver legally exported during the same period have formed nearly four-fifths of the whole, and have amounted to about one half of the whole quantity annually coined.

Third. That the average exports of each year have always exceeded the imports.

Fourth. That the imports consisted almost entirely of European productions introduced through Spain and Cuba, four-tenths of which were the produce and manufactures of the mother country and her dependencies, and the remainder the manufactures of other European countries, the direct importation being only one hundred and fortieth part of the whole.

Fifth. That while the external trade was thus limited the annual value of the native manufactures of wool and cotton only consumed in the country amounted to a sum nearly equal to that of all the imports from every other part of the world.

The declaration of independence by Mexico in 1821, with its necessary consequences, has placed her resources on a very different footing from that on which they formerly stood. It is, therefore, evident that it is only from an examination of the state of the commerce of the country since that event, as well as of the actual situation of the country itself, that an opinion can be formed of what it may be hereafter.

With that view I shall, before stating any general results, give the details of the exports and imports, [and] the number of ships employed in both together, with a short recapitulation for each year.

It is a matter of regret that it is only possible to distinguish the number and tonnage of the vessels of different nations in the statement of the shipping that were employed at Vera Cruz in the year 1823.

The export trade of Vera Cruz, and consequently of the whole of Mexico, is, as it formerly was, confined to a very few articles, of the most important of which the following is a list. Of these, however, the five first only are worthy of the slightest attention :—

Gold and silver (coined), cochineal, indigo, gold and silver (wrought), vanilla, cacao, clayed sugar, jalap, pimento, sarzaparilla, copper, hides, cotton wool, flour, dye woods, iron, copal, red pepper.

The imports are much more numerous, and it would be impossible to give, with any degree of accuracy, a detailed list of the various articles (many of the names of which, involving nice distinctions, are understood only by manufacturers). I shall confine my statement rather to the classes than to the individuals composing them.

*Exports from Vera Cruz in 1821*

Names.	To Spain.	To Cuba and Spanish America.	General total.
	Value in dollars.	Value in dollars.	Value in dollars.
Gold and silver (coined)	8,139,677	213,501	8,353,178
Cochineal	1,204,960		1,204,960
Indigo	189,130		189,130
Gold and silver (wrought)	67,488		67,488
Vanilla	25,303	1,594	26,897
Various articles	79,964	47,900	127,864
Total	\$9,706,522	262,995	9,969,517

*Imports into Vera Cruz in 1821*

Articles.	Direct from Spain.		From Cuba, etc.		Direct from foreign countries	Total.
	Produce of Spain.	Of other countries	Produce of Cuba	Of other countries.		
Silk manufactures	\$1,066,379	59,617		79,223		\$1,205,219
Cotton do.	407,359	402,156		79,211		888,726
Woollen do.	229,442	467,395		115,107		811,944
Linen do.	49,431	1,442,052		230,859		1,722,342
Wines	465,845			16,251		482,096
Branches	307,499			2,325		309,824
Quicksilver	299,040					299,040
Paper	415,938					415,938
Miscellaneous articles	232,915	163,400	579,044	96,569	37,995	1,109,923
Total	3,473,848	2,534,620	579,044	619,545	37,995	7,245,052

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*General Recapitulation for 1821*

<i>Exports</i>		
To Spain	\$9,706,522	
„ Spanish America	262,995	
		\$9,969,517
<i>Imports</i>		
From Spain, Spanish produce	3,473,848	
„ do. Foreign do.	2,534,640	
		6,008,468
„ Cuba and ports of the Gulf :—		
„ Native produce	579,044	
„ European produce	619,545	
		1,198,589
Direct importation. Foreign countries		37,995
Total commerce		\$17,214,569

The number of vessels that cleared in the port of Vera Cruz during 1821 were :—

<i>Inwards</i>		
From Spain	48	
„ Cuba and the ports of the Gulf	61	
„ Foreign ports	7	
		116
<i>Outwards</i>		
To Spain	37	
„ Spanish ports in America	42	
		79
Total		195

*Exports from Vera Cruz in 1822*

Articles.	To Spain.	To Cuba and ports of the Gulf.	To foreign ports.	Total.
Gold and silver (coined)	\$5,448,231	1,256,629	784,920	\$7,489,780
Cochineal	1,443,526	697,378	212,216	2,353,120
Indigo	140,250	72,550		212,800
Gold and silver (wrought)	53,376	23,693	4,168	81,237
Vanilla	22,770	3,330		26,100
Miscellaneous articles	53,159	83,728	7,535	144,422
Total	\$7,161,312	2,137,308	1,008,839	\$10,307,459

## BRITISH CONSULAR REPORTS

*Imports into Vera Cruz in 1822*

Articles.	Direct from Spain.		From Cuba, etc.		Direct from foreign countries.	Total.
	Produce of Spain.	Of other countries.	Native produce.	Foreign produce.		
Silk manufactures	\$142,300	4,346		6,470	71,172	\$224,288
Cotton do.	9,382	16,258		110,138	437,415	573,193
Woollen do.	1,312	11,571		13,573	95,942	122,398
Linen do.	5,152	174,107		95,532	162,124	436,915
Wines	212,226			12,562	54,339	279,127
Brandies	528,008			4,510	47,925	580,443
Quicksilver	140,277					140,277
Paper	119,554				35,349	154,903
Miscellaneous articles	100,812	113,471	650,033	81,661	265,498	1,211,019
Total	\$1,259,023	319,753	650,033	324,446	1,169,764	3,723,019

*General Recapitulation for 1822**Exports*

To Spain	\$7,161,312	
„ Cuba	2,137,308	
„ Foreign ports	1,008,839	
		\$10,307,459

*Imports*

From Spain. Native produce	1,259,023	
„ do. Foreign produce	319,753	
		1,578,776
„ Cuba and the ports of the Gulf :—		
Native produce	650,033	
European do.	324,446	
		974,479

Total commerce

\$14,030,478

The number of vessels that cleared at Vera Cruz in 1822 were :—

*Inwards*

From Spain	34	
„ Cuba and the ports of the Gulf	66	
„ Foreign ports	30	
	—	130

*Outwards*

For Spain, Cuba and the ports of the Gulf	96	
For Foreign ports	30	
	—	126
Total		<u>256</u>

*Exports from Vera Cruz in 1823*<sup>1</sup>

Articles.	To Spain.	To Cuba, etc.	To Foreign Ports.	Total.
Gold and silver (coined)	\$56,458	378,893	858,472	\$1,293,823
Cochineal	110,245	503,949	279,190	893,384
Indigo	16,700	7,800	5,500	30,000
Gold and silver (wrought)	8,552	12,256	9,964	30,772
Vanilla	7,500	14,700	1,200	23,400
Miscellaneous articles	27,662	40,567	6,529	74,758
Total	\$227,117	958,165	1,160,855	\$2,346,137

*Imports into Vera Cruz in 1823*

Articles.	Direct from Spain.		From Cuba, etc.		Direct from Foreign countries.	Total.
	Native produce.	Foreign produce.	Native produce.	Foreign produce.		
Silk manufactures	\$25,367	1		27,493	159,918	\$212,778
Cotton do.	3,740	5,544		169,474	978,029	1,156,787
Woollen do.		4,179		32,418	194,923	231,520
Linen do.	412	22,389		347,121	347,323	717,245
Wines	63,369			22,456	39,806	125,631
Brandy	140,528			39,806	30,552	210,886
Quicksilver	72,598			9,652	16,614	98,864
Paper	71,223			72,981	16,702	160,906
Miscellaneous articles	50,037	20,621	484,443	136,509	306,865	998,475
Total	\$427,274	52,733	484,443	857,910	2,090,732	3,913,092

<sup>1</sup> Lerdo de Tejada, *op. cit.*, núm. 30, *Bálanza del comercio marítimo . . .*  
1823.

## BRITISH CONSULAR REPORTS

*General Recapitulation for 1823*

<i>Exports</i>		
To Spain	\$227,117	
„ Cuba, etc.	958,165	
„ Foreign ports	1,160,855	
		<u>\$2,346,117</u>
<i>Imports</i>		
From Spain, Spanish produce	427,274	
„ do. foreign do.	52,733	
		<u>480,007</u>
„ Cuba, native produce	484,443	
„ do. foreign do.	857,910	
		<u>1,342,353</u>
„ Foreign countries		2,090,732
Total		<u>\$6,259,209</u>

*The number of vessels that cleared within the province of Vera Cruz in 1823*

<i>Outwards</i>		
From Vera Cruz only		
To Spain	10	
„ America	45	
„ other countries	23	
		<u>78</u>
Total		

*Inwards*

	Vera Cruz.		Alvarado.	Tampico.	Total.
	No. of Vessels.	Tons.			
British	12	1,912	3		15
American	34	2,551	15	23	72
Spanish	30	2,681		9	39
Mexican	18	1,188			18
French	1	100			1
Danish	1	42	1		2
Swedish	1	120			1
Total	97	8,524	19	32	148

Although from the preceding documents we learn that until the year 1822 the imports were shipped almost exclusively from Spain



and Cuba, yet we have no data by which we can determine the countries whence they were originally obtained. I believe, however, that Great Britain and Germany supplied to the Spanish exporters the most important articles, viz. the linen, cotton and woollen manufactures. The paper, wine, and brandies were exclusively Spanish, and the silk manufactures nearly so, the quicksilver partly Spanish and partly German. Since the period above named very little additional light has been thrown on the same points, as I can find no public record illustrating them, but this much I believe may be considered certain, that the quantities of British manufactured goods, introduced both fairly and clandestinely since 1821 in British and American bottoms, very far exceed the aggregate of those of all other countries.

In the year 1823 we know that fifteen vessels direct from Great Britain with British manufactures cleared at the ports of Vera Cruz and Alvarado, and that the tonnage of those that entered at the former amounted to one thousand nine hundred and twelve tons. During this period, it is true, there were no British vessels to Tampico, but the Americans, amounting in number to twenty-three vessels, it is said, were almost exclusively employed in the importation of British manufactures. It is further asserted that in the year terminating in June, 1824, above five thousand tons of American shipping were employed in that trade between Tampico and the United States.<sup>1</sup>

The smuggling in the same goods has, also, been carried on to a most disgraceful extent, although it is impossible to estimate the amount with accuracy.

These circumstances render it probable that Great Britain and Germany will continue to furnish by a less circuitous route than they did in the time of the monopoly, the great bulk of European linen, woollen, and cotton goods.

The wines and brandies will probably be derived from France only so long as the exclusion of Spanish produce continues in force,<sup>2</sup> so strong is the prejudice in favor of the latter.

<sup>1</sup> Cf. R. P. Staples to Canning, Mexico, 24 Sept. 1823, F.O. 72/275. Zacatecas, San Luis Potosi and Monterrey, wrote Staples, formerly supplied from Mexico, were now supplied from Tampico. 'At present the United States furnish the chief part of the British manufactures consumed in the above towns and provinces, which are brought in small vessels from New Orleans . . . and also from Baltimore and Philadelphia'

<sup>2</sup> Excluded by decree of 8 Oct. 1823. Printed in J. R. Poinsett, *Notes on Mexico* . . . (London, 1825), app. p. 70.

The other articles of importation are open to the competition of the whole commercial and manufacturing world.

There is one point intimately connected with this branch of the subject, viz.: the shipping employed, which is worthy of attention.

There are, as has been sufficiently shown by the previous details, no exports of any bulk, and consequently the vessels freighted from England have no return cargoes. The specie is always, and the cochineal very generally, shipped in men of war. These and some other circumstances give the American shipowner a very decided advantage and enable him to charter his vessel on lower terms than his British rival. I may state in illustration of this, the fact that since our arrival two American vessels, chartered by British merchants from Great Britain, have arrived at Alvarado with cargoes of British manufactured goods. The additional fact, that the American shippers continue to ship the same goods circuitously from New York, Philadelphia, and other ports of the United States, for this country and to undersell the direct British importer is well worthy of attention, and appears to warrant the apprehension that the Americans may engross the greater part of the carrying trade of this country.<sup>1</sup>

As far as can be collected from official documents it appears that the decrease in the fair trade has been very great within the last three years.

With regard to the illicit trade, it is impossible to form a conjecture beyond the natural one that its extent must have been considerable, owing to the large unprotected line of coast along which smuggling has long been systematized, and to the extreme laxity of the officers of the customs, whose inadequate salaries lay them open to every sort of corruption.

<sup>1</sup> This is an apprehension frequently expressed. The returns of British and Foreign Trade in F.O. 50/7 show that 29 British vessels (3,853 tons) entered the ports of Alvarado and Vera Cruz in 1824 as against 101 American (8,933 tons). A Mexican estimate shows that the imports at Alvarado in American ships in this year were \$4,360,568, of which \$3,481,831 consisted of European produce. The direct imports from Europe were \$6,413,636. O'Gorman to Bidwell, 20 Dec. 1825, F.O. 50/17; Lerdo de Tejada, *op. cit.*, núm. 31; Ward, *op. cit.*, i. 435. In 1825 it has been calculated that the domestic exports from the United States to Mexico amounted to \$951,040, and the re-exports of European produce to \$5,319,158. Robertson, *Hispanic-American relations with the United States*, p. 197.

It has been already shown that the general average amount of the trade of Vera Cruz for twenty five years preceding the establishment of independence was something more than twenty-one and a half millions of dollars.

In the first year of independence it fell to	\$17,214,569
In the second	to 14,030,478
And in the third	6,259,209

being less than a third of the former annual average. The decrease of this last year would probably have not been so great had it been possible to have added the amount of the trade of Tampico and Alvarado, but if the amount were to be doubled by such an addition, it would be still so much below that of the preceding period as to establish the fact that a very decided decrease in the amount of the European trade of the state of Vera Cruz (and consequently of the Mexican dominions) has taken place since the declaration of independence. The causes of this decrease will be more appropriately ascertained after an examination of the relative changes that have taken place in the exports and imports of the same period.

In the exports from this state since 1820, the changes have been by no means so remarkable as might have been anticipated from the total decrease.

In 1821 they were only \$2,211,857 less than they amounted to in the average for twenty-five years.

In 1822 the decrease was still less, amounting to only \$873,909 less than the fixed standard. But in 1823 they underwent a remarkable decline, falling even below their natural proportion to the whole trade, being only \$2,346,117, or not more than one-fifth of their average amount, while the whole trade had only declined to something less than a third.

The enormous excess, formerly noticed, of the precious metals exported throughout this period maintained itself, while the agricultural exports in no one year ever formed one half of the whole.

The exports during 1821 were exclusively directed to Old Spain and her dependencies, but in 1822 the effects of the revolution on trade began to develop themselves, and we find that instead of the whole, as in the preceding year, that seven-tenths only found their way to Spain, while two-tenths were conveyed to Cuba,

chiefly to the importers of European manufactures in that island, and the remaining tenth to Great Britain and the United States. In 1823 although a free trade was permitted and exercised with Old Spain during the whole year (in spite of the hostilities which commenced in last September <sup>1</sup>) the exports to that country were scarcely more than one-tenth of the whole, those to Cuba directed in the same way as in the preceding year amounted to about four-tenths, and the remaining half went direct to Europe and the United States of North America.

As the causes producing the above changes apply equally to the imports, they shall be stated so soon as the details of these last shall have been given.

The most important revolution that has taken place in the imports through Vera Cruz since 1820 have been not so much in the description of articles as in the sources from which they have been derived, in their absolute quantities as well as their relative proportions.

In 1821 the imports suddenly fell from their average value of \$10,364,238 to \$7,245,052, or about two-thirds. In 1822 they declined to \$3,723,019, or about one-third of their average amount. In 1823 they rose to \$3,913,019, being about \$190,000 more than the preceding year, but still nearly two-thirds below the annual average.

In 1821 the whole of the imports, except to the value of \$37,995, were introduced in Spanish bottoms from Spain and her dependencies, and the small value imported directly from foreign ports was composed of miscellaneous articles of no importance.

In 1822 the imports from Spain and her dependencies amounted only to \$1,553,255, or one-fifth of the preceding year, while the direct imports from foreign countries rose to \$1,169,764, or upwards of thirty times its amount [in] 1821.

In 1823, while the total amount of the imports increased to about \$190,000,<sup>2</sup> that of the Spanish imports decreased to about one-fourth of that of the previous year, being only \$480,007, that of Cuba \$487,443, while the direct imports from foreign ports rose to \$2,090,732, and those of European productions from Cuba to

<sup>1</sup> On 25 Sept. 1823 the royalists in possession of the castle of San Juan de Ulúa opened fire on the town of Vera Cruz. The castle held out till 18 Nov. 1825.

<sup>2</sup> \$3,900,000. See *supra*, p. 311.

\$857,910, these last belonging strictly to the imports from foreign ports, passing merely through the Havana from its being a free port.

The most remarkable revolution that has occurred in the imports within these three years has been in the amount of the different classes of goods that have been enumerated. The silk manufactures, which in 1821 attained the value of \$1,205,219, fell in 1822 to \$224,288, and in 1823 to \$212,778. The value of the linens (formerly of great importance) in 1821 amounted to \$1,722,342, in 1822 it was reduced to \$436,915, but rose in 1823 to \$717,245. Woollens which in 1821 amounted to \$811,944, fell in 1822 to \$122,398, and in 1823 rose again to \$231,520. Cottons in 1821 amounted to \$888,726. In 1822 their value was reduced to \$573,193, but in 1823 it suddenly rose to \$1,156,787. In the wines there has been a large decrease, for in 1821 their value amounted to \$482,096, in 1822 to \$279,127, and in 1823 only to \$125,631. Brandies have, on the other hand, fluctuated, for in 1821 their value was only \$309,824. In 1822 it rose to \$580,443, and fell in 1823 to \$210,886. The quantity of that most important article, quicksilver, has also declined very much. In 1821 the value imported was \$299,040. In 1822, it was only \$140,227, and in 1823 it was further reduced to \$98,864. The quantity of paper (of which the consumption for cigars is great) has also been much lessened. In 1821 the value imported was \$415,938, in 1822 only \$154,903, and in 1823 \$160,906. The miscellaneous articles (comprising cutlery, hardware, earthenware, and everything that cannot well be classified in such an abstract as this report necessarily must be) have varied considerably. In 1821 their value was \$1,109,923, in 1822, \$1,211,019, and in 1823 only \$998,475.

From these details it results that the import trade has (as far as can be ascertained from the documents to be obtained) largely decreased, [and] that that which was formerly exclusively Spanish is now in other hands, for not only have the total Spanish imports become much smaller, but the articles such as silk, brandies, wines, and paper, which were exclusively obtained from Spain, have either been reduced in quantity, or have given way to other articles for which a growing taste has been established. This is particularly illustrated in the silk trade which has been almost destroyed, while that of cottons, especially of prints, is rising into great importance.

The reduction of the quantity of quicksilver imported only

proves that the working of the mines has been gradually declining until the end of 1823.<sup>1</sup>

From the extreme looseness of the shipping returns, it is impossible to deduce any general conclusions, but they establish the fact that the British tonnage employed is excessively small. The chief cause that has affected both the exports and imports of Mexico during the years 1821, 1822, and 1823, appears to have been the sudden diminution of the commercial capital of the country. This, as has been formerly stated, belonged almost entirely to Old Spaniards, many of whom had withdrawn in the earliest stages of the war of independence, but others remained, retaining a portion of their funds, which though much diminished were sufficient to maintain a certain activity in trade. Whenever the separation from the mother country became inevitable the most hardy lost confidence and transferred the great bulk of their convertible property to Europe.

As gold and silver constitute almost the only articles of export, and could be removed with greater facility than anything else, the proportion of them to the entire amount of the exports continued uniformly great. These facts account for the high amount of the exports in the years 1821 and 1822, as well as for their sudden decrease in 1823. In the two former years the last remains of the transferable capital was, if I may so express it, in transitu, while in the last the exports consisted only of the returns made in payment of the imports.

So soon as the Spanish capitalists had withdrawn from the field the only funds that promoted any branch of industry, the effects of contemporaneous events which had previously been partially developed fully displayed themselves, and then only were the consequences fully understood of the destruction of the mines, of the disorganized state of society arising from civil war of twelve years duration, and the consequent check to industry, which had left the country dependent on a capital not strictly its own—a

<sup>1</sup> The coinage of the mint of Mexico from 1690 to 1839 is given in Zamora y Coronado, *Biblioteca de legislación ultramarina*, 1. 25–8, 30. See also Humboldt, *Essai politique*, ii. 578. In 1809 \$24,708,164 silver were coined and \$1,464,818 gold. In both 1823 and 1824 the coinage had fallen to \$3½ millions. From 1796 to 1810 the average coinage at the mint of Mexico was more than \$22½ millions. Adding in the coinage at the other mints of Mexico established after 1810, and making an allowance for unregistered silver, Ward estimated that the annual average produce of the mines of Mexico from 1810 to 1825 was about \$11 millions. *Mexico in 1827*, ii. 12–26, 41–6.

capital which could not be supplied from its immediate resources, and which from its sudden abstraction left no traces of any beneficial influence having ever been exercised.

It is obvious that these circumstances must necessarily have affected the imports as well as the exports. The means of payment ceasing, commerce became for a time paralyzed, and the demand for articles formerly of the first necessity was infinitely restricted, while that for the luxuries of life entirely ceased, except among a very few of those, who contrary to the improvident habits of the country had not expended in the midst of superfluous wealth more than their income.

At this time, too, the supply from Old Spain became limited in proportion as the Spanish capitalists abandoned their commercial relations with the infant state, and foreign adventurers required time to make the necessary arrangements for entering upon a field perfectly unknown to them.

Other minor causes may have had some influence in the reduction of the amount of the imports, but as an enquiry into them might lead to much vague speculation, it appears better to confine my observations to those which possessed a decided and obvious influence.

What the future state of the commerce of Mexico may be is so very problematical and depends on so many contingencies that I feel great difficulty in expressing an opinion upon it. I shall, however, in compliance with my instructions state as clearly as I can my conjectures as to its probable state hereafter, and assign the grounds on which they have been formed.

It has been clearly shown that at all periods, even when every branch of industry was at its height, the precious metals have formed the chief portion of the exports. There are many reasons for thinking that this will, at least for a very long time, continue to be the case, and I shall therefore state such of them as appear most decisive.

Although the extent of the territory is only to be equalled by the diversity of the climate and the variety of the productions of New Spain, yet the population is large and increasing rapidly.<sup>1</sup> The

<sup>1</sup> Humboldt's estimate of the population of Mexico in 1823 was 6,800,000, an increase of 960,000 over his estimate in 1804. *Personal narrative*, vi. 127-30. By another calculation he gives the following proportions:—Indians, 3,700,000; Whites, 1,230,000; Mixed, 1,860,000; *ibid.*, pp. 835-6. Ward's figure for 1827 is 8,000,000. *Mexico in 1827*, i. 27-8.

first object under such circumstances obviously is to produce the necessities adequate to the consumption of the country. The production of any surplus will be regulated by the external demand, which again must depend upon the ability of the grower to enter into competition with other growers in foreign markets. Let us see how these principles apply to the commerce of Mexico.

The peculiar physical structure of this immense country presents infinite obstacles to internal communications. The establishment of canals even in the central plain appears nearly impracticable, and the state of the roads, owing to the expense of construction and other causes, is such that the only mode of conveying even the most bulky articles is on the backs of mules, a mode of transport which enhances most enormously the value of whatever is so conveyed. The freight of a single mule from the coast to the capital is at present about forty dollars, or at 51*d.* per dollar (the present rate of exchange) is exactly eight pounds ten shillings. The mule carries between three and four English hundred weight. Under such a system the bulky articles of consumption can never become objects of export to any place where any competition exists, and even were the roads in such a state as to allow the free use of wagons, the immense distances to be traversed would still interfere with their becoming articles of export.

If it be fruitless to look for articles of export among the necessities of life, it is nearly equally so to expect them among its luxuries.

The maritime and most fertile districts which are capable of producing all that is valuable in a tropical climate are very thinly inhabited. Thus Vera Cruz, which (after leaving the sea coast) in fertility of soil and variety of productions can be surpassed by no place in the world, has a population, according to the census just completed but not yet published, not exceeding two hundred and fifty thousand individuals of every description,<sup>1</sup> of whom it is estimated not more than one hundred thousand are employed in the cultivation of a space of four thousand one hundred and forty one square leagues. The remainder are inhabitants of the towns either engaged in trade or living in idleness.

Another powerful obstacle is opposed to rapid improvement in the most productive districts by the extreme indolence of the inhabitants. Nature has done so much, and their physical wants are so few that it is scarcely possible to excite them to any exertion.

<sup>1</sup> 233,705. Ward, *op. cit.*, ii. 695.



Continued exertion, such as would be necessary to effect any great object, is out of the question until a complete revolution shall have been brought about in their moral habits.<sup>1</sup>

With these causes operating to retard improvement, the sickness to which the maritime provinces of the Gulf is liable co-operates most powerfully and deters equally the natives of the central plains of Mexico and foreigners from establishing themselves in any useful pursuit.

In this state of things there is much reason to fear that the most luxuriant regions of this country will remain neglected. Indeed it is probable that no salutary change can be effected until the native population shall have increased so much as to render greater exertions necessary for the support of life, even with their limited wants.

If these observations be well founded no considerable alteration in the exports can be looked for, and the precious metals will constitute as they have hitherto done the great mass of the returns to Europe.

The restoration of the mines (already begun, and on which so much depends in Mexico) will be the first event that can very considerably affect the amount of the imports, as by these means indirect vigour will be given to every branch of industry in the Republick. The prosperity and progress of this country bear a direct ratio to the activity with which the mines are worked. From their present condition they cannot be immediately restored, but with time they may even exceed their former productiveness.<sup>2</sup> While these gradual improvements are going on the low prices of European manufactures will progressively introduce a taste for them, and that which is now an article of luxury will hereafter become one of necessity, thus in the end augmenting their consumption to a great amount.

<sup>1</sup> 'I cannot conceal from you my opinion that there is no injustice, and no illiberality, of which these people are not capable', wrote Ward in a private letter to Planta, 24 Aug. 1825, F.O. 50/14. 'I have witnessed more petty intrigues, and a more decided want of principle here, during the last four months, than I did during the four years which I passed in Spain—and that is a bold assertion!' But Ward was more friendly to the creole character in his *Mexico in 1827*, II, 709–10.

<sup>2</sup> On the mines see Ward, *op. cit.*, II, 47–97. His statistical report on the state of Mexico, 5 Feb 1827, is in F.O. 50/31a. By 1827 £3,000,000 of British capital was invested in Mexican mining enterprise. Ward, *op. cit.*, II, 69. 7 British, 1 German and 2 American companies were operating.

On the other hand this very low price which is bringing about future good to the European manufacturer will probably for a time reduce the quantity of imports, for glutted as the market appears to be, judging from the prices, it will be necessary to reduce the imports (small as they are compared with the average from 1796 to 1820) still lower to repay the merchant.<sup>1</sup>

The present system of duties, the regulations for the encouragement of domestic manufactures, and some minor causes, will combine to keep down the amount of the imports below their former standard, and although it is likely that the gradual restoration of industry will eventually produce a very decided augmentation in their amount (unless the course of events be counteracted by legislative interference) yet I cannot conceive that augmentation to be other than slow, and I am convinced will by no means keep pace with the golden visions of those who associate Mexico with all the exaggerated reports of the first conquerors.

The preceding observations apply only to general probabilities. With regard to the probable alterations in the particular classes of the imports I confess that I do not possess information to warrant my expressing an opinion.

The whole of the general regulations affecting trade that have been adopted in all the ports of Mexico are founded on a decree establishing a tariff of duties by the Junta Suprema Gubernativa in 1821,<sup>2</sup> immediately after the Declaration of Independence. This decree has in some points been modified by subsequent acts of Congress. It will be sufficient to state the regulations existing at the present moment, without entering into the various alterations that have been made at different times:—

The exportation of unwrought gold and silver is strictly prohibited.<sup>3</sup> All other produce of the country may be exported. The following articles only pay the annexed duties on exportation.<sup>4</sup>

<sup>1</sup> The imports at Alvarado and Vera Cruz rose to \$12,082,030 in 1824, and Ward estimated the total trade of Mexico at more than \$21½ millions in this year. Lerdo de Tejada, *op. cit.*, núm. 31; Ward, *op. cit.*, i. 435-6. The imports for the whole of Mexico were \$19,093,716 in 1825, \$15,450,508 in 1826, and \$14,889,016 in 1827. In 1828 they fell to \$9,947,827. Lerdo de Tejada, *op. cit.*, núms. 32-5.

<sup>2</sup> 15 Dec. 1821. *Colección de órdenes y decretos . . .*, i. 48. This tariff remained in force, with some modifications, till Nov. 1827.

<sup>3</sup> Decree of 14 Jan. 1822; *ibid.*, i. 89.

<sup>4</sup> Tariff of 15 Dec. 1821.

Gold (coined) pays	2	per cent.
" (wrought) "	1	" do.
Silver (coined) "	3½	" do.
" (wrought) "	3	" do.
Cochineal (fine), the value being fixed at 60 dollars		
per arroba of 25 lbs. weight	6	" do.
———— dust, at 10 dollars, per arroba	6	" do.
inferior value, fixed at 18 dollars per arroba	6	" do.
Vanilla (value fixed at 40 dollars a thousand)	10	" do.

The regulations for the embarkation of these articles are very minutely detailed.

The customs duty is very simple, being fixed at 25 per cent. on all kinds of goods from all countries, on a value fixed by the tariff, a value far exceeding the real one in almost every instance, as it was fixed on the prices that existed during the monopoly by the mother country. The only exceptions to this general rule are wine and brandy, the former of which pays a customs duty of forty, and the latter of thirty-five per cent.<sup>1</sup>

Besides the customs duty, there is a sort of excise paid in the towns (except in the ports of entry) where the various articles are consumed, under the name of *alcavala*. This is divided into two kinds, '*alcavala permanente*' and '*alcavala eventual*', each of which is six per cent., making altogether twelve per cent. payable, as well as the customs duty, into the national treasury.<sup>2</sup> Brandy and wines not only pay a larger maritime duty than any other

<sup>1</sup> Decree of 9 Aug. 1822. *Colección de órdenes y decretos* . . . , ii. 72.

<sup>2</sup> In 1810 the *alcabala*, originally a sales tax of 2 p.c., was levied at the rate of 6 p.c. on certain articles *ad valorem* (*artículos de aforo*) and on others (*artículos del viento*) according to an old tariff. The tax on the former was raised in 1811 to 8 p.c. and by order of 24 Dec. 1816 to 16 p.c., while that on the latter was increased to 12 p.c., by the addition to each of an *alcabala eventual* in place of the convoy, war and squadron duties which had been created in 1811, 1812 and 1813 respectively. By decree of Iturbide of 30 June 1821 and by order of the Junta Suprema of 7 Oct. 1821, the *alcabala* was reduced to its former rate of 6 p.c., plus an additional 2 p.c. on *artículos de aforo*, and a further 4 p.c. was imposed on these articles, except on raw cotton and cotton fabrics, by decree of 9 Aug. 1822. Finally on 23 Dec. 1822 it was decided that the *alcabala permanente* or *común* should be fixed at 6 p.c. on *artículos de aforo*, and the name *eventual* applied to charges in excess of this amount (also 6 p.c.). The name *alcabala eventual* was also applied to the 6 p.c. tax on *artículos del viento*. See *Exposición al Soberano Congreso Mexicano sobre el Estado de la Hacienda Pública* . . . [29 de Septiembre de 1823], (Mexico, 1823); *Colección de órdenes y decretos*, i. 12; ii. 72; Alamán, *Historia de México*, v. 234, 415. By law of 4 Aug. 1824 the *alcabalas* on foreign goods were abolished in favour of an *internación* duty of 15 p.c. on all goods forwarded from the ports into the interior. *Colección de órdenes*, iii. 60.

articles, but are subject to a very heavy alcavala, that on the former being forty, and on the [latter] thirty-five per cent.,<sup>1</sup> making with the customs duty 80 per cent. on the first and 70 per cent. on the latter. These are the only national duties on imports, but there are local charges in all the inland towns, fixed by their respective ayuntamientos, or corporations. That of Xalapa is one per cent. on all goods except brandy and wine, each of which pays a municipal tax of twelve rials of plata, on each barrel containing 22 gallons.

The scale by which the value of the articles on which the alcavala is levied is fixed at the option of the vista, subject to certain regulations which are generally evaded, if an understanding subsists, as there generally does, between that officer and the merchant.

When goods are landed, they are lodged in the Custom House. There they remain until they are 'despatched' as it is termed, which consists in their being examined by the vista, who determines their value according to the tariff. This ought to be done within forty days after they have been landed and the duties ought to be paid in three months from the same period. In cases where it might be inconvenient to remove the goods an extension of time is usually granted.

Established houses or individuals giving adequate security are permitted to forward their goods into the interior without paying the duties, until the expiration of the time fixed by law, but individuals without establishments must pay before removal.

After goods have been once dispatched the duties must be paid without any abatement, under any pretext whatever, unless in cases when an error either in the calculations or in the payment can be proved.

Ships of all nations (except those of Spain, which are now excluded on account of war) are admitted into the ports of the Mexican dominions subject to the payment of the established duties.

Every vessel that anchors in the ports of Mexico, either from stress of weather or to obtain provisions, shall be admitted during the time that may be necessary, paying the duties and other charges levied on Mexican ships in the country to which she belongs.

Whatever is not prohibited by the tariff shall be permitted to be landed in any of the ports of entry of Mexico, subject to subsequent decisions of the Government.

Those articles whose value is undetermined by the tariff,

<sup>1</sup> *Supra*, p. 323, n. 1.

will be estimated by an officer called a vista or inspector, with the previous knowledge and consent of the administrador or collector, and the value will be regulated by that of the articles most analogous.

Of the general effect of all these regulations I cannot venture to express an opinion, but I have not a doubt that some of them are most prejudicial, being calculated to check the supplies of articles of the first necessity from the cheapest markets, and to promote smuggling. The multiplication of duties payable at different places affords great facility to the illicit trader, while their excessive amount operates as a premium to him and drives the fair merchant out of the field. Besides, the duties are levied on a valuation which, as has been formerly noticed, is fixed by a tariff hastily formed on the establishment of independence; and in the absence of other grounds, founded on the old and erroneous prices of goods. The consequence is that many articles now pay a customs duty of one hundred per cent. on their real value, and fifty per cent. and upwards of excise or alcavala.

It has been said that the Government will direct its early attention to the reformation of this branch of the publick service; but if the tariff be adopted which has been laid before the Congress by the Minister of Finance, Don F. Arrillaga,<sup>1</sup> no amelioration of the evils complained of can be expected.

It is impossible to get any two statements of prices that agree, but the following may be considered as an average both of the exports and imports during the year 1823, and the first six months of 1824.

The exchange on the coast was about 48*d.* per hard dollar, while at Mexico it was only 46*d.*, until this year, when the effect of the bills drawn on account of the loans negotiated with British capitalists<sup>2</sup> has been to raise the exchange at Mexico to 50*d.* and 52*d.* per dollar. The exchange on the coast ought to be always

<sup>1</sup> Francisco de Arrillaga, *Memoria sobre reformas del arancel mercantil que presenta el Secretario de Hacienda al Soberano Congreso Constituyente . . .* 13 de enero de 1824 (Mexico, 1824).

<sup>2</sup> The first Mexican loan for £3,200,000 was negotiated with B. A. Goldschmidt and Co. in 1824 at 58, the second, for the same amount at 89½, with Barclay, Herring and Co in 1825. Mexico got less than half these sums, and was not encouraged when Goldschmidts failed in 1826 and Barclay Herring and Co. in 1828. For the Spanish American loans see *Journal of the Statistical Society*, xli (London, 1878), p. 313.

4 per cent. higher. The value of silver can only be determined by the exchange, as the import of uncoined metal is prohibited.

Gold is always at a premium which depends not on the weight, but on the effigy imprinted on the coin. Those of the Spanish sovereign bear the highest and those of Iturbide<sup>1</sup> the lowest.

Cochineal	\$80 to \$85 per arroba of 25 lbs.
Vanilla	\$10 per lb.
Jalap	\$19 per quintal

The prices of the remainder of the articles formerly enumerated in the list of the exports cannot be quoted as the purchase of them has been too limited to enable me to find any person who can give even a guess at their average value.

The following alphabetical list of the prices of the principal imports within the state of Vera Cruz is the best that I can at present supply.

Almonds	\$56 per quintal
Aniseed	\$12 „ doz.
Brandy	\$80 „ barrel
Britannias, broad	\$7 „ piece
„ narrow	\$5 „ „
„ imitation	\$4 „ „
Brocade	\$2 „ vara
Calicos	2[s?] per vara
Cambrc, cotton	\$7 „ piece
„ coarse	\$4 „ „
„ French	\$4 „ vara
Canvas	3[s?] „ vara
Capers	\$5 „ arroba
Cards	1 to 6[s?] „ pack
Carpeting	\$6 „ vara
Cinnamon	\$5 „ lb
Cloths, superfine French	\$5 to 8 „ vara
„ long	\$18 „ piece
Corks	4[s?] „ hundred
Cottons, striped	\$10 „ piece
„ printed	4[s?] „ vara
Diaper, cotton	8[s?] „ „
„ French	12[s?] „ „
Dimity	5[s?] „ „
Drill	4[s?] „ „
Flannel, dyed	8[s?] „ „
Flnts, gun	8[s?] „ hundred

<sup>1</sup> Agustín de Iturbide, 1783-1824. See *supra*, p 300, n. 2.

Ginghams	4[s <sup>2</sup> ] per vara
Glass window	\$14 „ dozen
Hats, round	\$4-\$10 each
Handkerchiefs, Catalan	\$10-15 per dozen
Hollands, coarse	8[s <sup>2</sup> ] per vara
Iron	\$10 „ quintal
Jean	2 to 4[s <sup>2</sup> ] „ vara
Kerseymeres	\$3 „ „
Lace (Ayamonte)	7 to 14[s <sup>2</sup> ] „ „
Linen, Catalan, coarse	3[s <sup>2</sup> ] „ „
„ Flemish, bleached	7[s <sup>2</sup> ] „ „
„ Flemish	6[s <sup>2</sup> ] „ „
„ Hamburg	\$30 „ piece
„ Irish	5[s <sup>2</sup> ] „ vara
„ Russia	\$20 „ piece
„ Scotch	\$20 „ „
„ Silesian	4[s <sup>2</sup> ] „ vara
„ Scotch, coarse	\$5 „ piece
Liqueurs (in pints)	\$10 „ doz.
Macedonia	8 to 12[s <sup>2</sup> ] „ vara
Madapollams	\$8 „ piece
Mantillas of taffety	\$24 each
Muslins	\$5 to \$10 each
Olive oil	\$13 per arroba
Olives	\$24 „ barrel
Paper, white	\$9 to \$10 „ ream
Paper, blotting	\$2 „ „
Platillas reales	\$10 to \$16 „ piece
Porter	\$12 „ dozen
Prints, Catalan	4[s <sup>2</sup> ] „ vara
Quicksilver	\$60 „ quintal
Raisins	\$4 to \$6 „ arroba
Ribbons, satin	1 to 4[s <sup>2</sup> ] „ vara
„ no 15	11[s <sup>2</sup> ] „ piece
„ no. 20	15[s <sup>2</sup> ] „ „
„ no. 40	28[s <sup>2</sup> ] „ „
Rice	8[s <sup>2</sup> ] „ arroba
Saffron	\$14 „ lb.
Satin	8[s <sup>2</sup> ] „ vara
Sarsenet	\$3½ „ „
Sarampons	3[s <sup>2</sup> ] „ „
Serge, black	2 to 3[s <sup>2</sup> ] „ „
Shawls, silk ¾	\$8 to \$14 each
„ vara wide	\$15 „
„ cotton	\$6 „
„ muslin	\$4 „

Shoes, silk	\$8 per pair
Silk	\$12 „ lb.
„ raw	\$8 „ „
Sperm candles	6[s?] per lb.
Starch	\$2 „ arroba
Stockings, silk	\$15 to \$36 „ dozen
„ cotton	\$6 to \$12 „ „
Stuffs, cubica	\$8 „ piece
Swan-skin waistcoating	8 „ vara
Sword blades	\$2 each
Tabinet	8[s?] per vara
Taffety	8[s?] „ „
Thread, assorted	5[s?] „ lb.
Tin plates	\$18 „ box
Velvet	\$5 „ vara
Velveteens	6[s?] „ „
Wine, Malaga	\$60 „ barrel
„ Muscatel	\$9 „ dozen
„ Frontignac	\$8 „ „
„ red Catalan	\$44 „ barrel
„ Sherry	\$70 „ „

Spanish produce is absolutely prohibited in any vessels during the present war.<sup>1</sup> The other prohibited articles are contained in the following copy of the enumeration published by the Government.<sup>2</sup>

#### *Prohibited articles*

1st class. Articles of food, liquors, etc.

Anise; apples; artichokes; bacon of all kinds; barley; beans of all kinds; biscuits; cabbages; caraway seed; coffee; cumin seed; eggs; fowls; flour (except the growth of Yucatan); fruits, green; garden stuff of all sorts; garlic; grapes; grease, bears'; hams, dried or in pickle, of bears or other animals; lard, hogs'; lemons; maize; meat, salted and pickled; melons of all kinds; onions; oranges; peaches; pease of all kinds; pulse; pepper, cayenne; pompkins of all sorts; quinces; rice; roots; rum; rye; salt; spirits not made from the grape; starch; suet, raw or manufactured; sugar, vermicelli; wax, manufactured; wheat; walnuts.

<sup>1</sup> *Supra*, p. 313, n. 2.

<sup>2</sup> The list of prohibited articles in the tariff of 15 Dec. 1821 was short; but this tariff was soon considered excessively liberal. On 14 Jan. 1822 the import of foreign flour was prohibited, and on 20 May 1824 the list of prohibited articles was greatly extended. *Colección de órdenes y decretos* . . . i. 89; iii. 47. The tariff of 16 Nov. 1827 reformed this list, but also added to it, and the height of absurdity was reached by the law of 22 May 1829 when it would have been simpler to have made a list of what might be imported rather than of what might not. *Ibid.*, iv. 97; v. 23; Macedo, *La evolución mercantil*, pp. 47-52.



2nd class, consisting of flax and cotton

Apparel, wearing, of all sorts; cotton wool; coverlids; cloaks; curtains; mattresses; quilts; ribbons, white, and coloured; sacks, linen; sheets, thread.

3d. class, consisting of wool and leather

Belts; blankets used as cloaks, carpets; cloaks, common; cloaks, Spanish; cloaths, ready made of all sorts; cloths, broad 2d. and 3d.; coats; girths; mangas; pantaloons, pelisses; woollens, low class.

4th class, consisting of manufactured silk

Cloaks; cloaths, ready-made of all sorts; jackets; lace of silk and metal; plain silk; pantaloons; trowsers; waistcoats.

Boots of all sorts of leather; bridles; hides and skins of all sorts whole or cut or manufactured into articles, dressed or undressed; leather of all kinds and colours; harness and horse-gear of all kinds, hats, leather shoes of every kind, parchment; portmanteaus of leather, bricks of all sizes, including square tiles; delft ware, very ordinary glazed or unglazed, figured or plain; earthen jars of all classes and sizes new or old; [earthen] ware (glazed or unglazed), pots, jars or other utensils; [earthen] tiles of all kinds; epaulets of all kinds as military insignia or for other uses, lace of gold, [lace] of silver [lace] of any metal.

*Metals* : copper, unwrought or in plates; lead, unwrought or manufactured; wood of all kinds.

There are no privileges of importation in favour of ships of any nation, nor is there any difference in the duties on goods whether imported in foreign or native ships. It is said that some privileges are to be granted to the Colombian flag, but as yet they have not been made known within the state of Vera Cruz.

The local duties of the port of Vera Cruz were established under the Spanish government and have undergone no alteration under the republican system, although from the abandoned state of the city they are not now levied with any degree of regularity even in the cases of the vessels that now resort to the anchorage of Mocambo.

All vessels from foreign ports, whether native or others pay the following duties :—

Anchorage dues—two dollars each ship  
Tonnage dues—two dollars per ton  
Light-house dues—three rials per ton  
Water dues—one rial per ton.

The two first of these belong to the nation, the third to the consulado, and the fourth to the municipality for supplying the vessels with water.

All ships pay twelve and a half dollars to the pilot for pilotage inwards, and as much more outwards, besides three dollars each time for the pilot's boat, making altogether thirty-one dollars.

Spanish vessels formerly paid less, but now there is no difference, as they are considered foreign, and no exemption has been made in favour of native ships.

The principal surveyors receive six dollars for reporting the state of the vessel, and the captain of the port, three and a half for his certificate.

If admeasurement of the tonnage be made the surveyor is entitled to twenty-five dollars.

There is no regular warehousing system, but in cases where goods have not been dispatched in the Custom House, they have been permitted to be reshipped without payment of any duties.

Such are the results of my most anxious enquiries into the various subjects to which my attention has been called by my instructions. I cannot refrain from stating my regret that they should so little correspond with my wishes, nor from expressing an earnest hope that their defects will not be ascribed either to want of zeal or of industry on my part.

## XV. MEXICO (ACAPULCO)

[F.O. 50/7.]

Charles T. O'Gorman <sup>1</sup> to Joseph Planta.

No. 9.

Mexico, 10 August 1824.

His Majesty's late consul for Acapulco, Mr. Staples,<sup>2</sup> has reported to me the following information obtained from Mr. Phelps (under date the 3rd instant) whom he provisionally employed to perform his consular duties at that port.

<sup>1</sup> After an adventurous mercantile career, Charles Thaddeus O'Gorman was appointed consul-general for Mexico on 10 Oct. 1823 and exercised the duties of that office till 23 March 1837. In the consular archives for Mexico (F.O. 203/4) there is a draft of a commercial report by O'Gorman (O'Gorman to Planta, 1 March 1825, No. 19). This consists of 20 folio pages with a list of 36 enclosures, some of which are in the same volume, and a supplement dated 30 March. There is no evidence that the report itself was ever received. No copy of it exists in either the Foreign Office or in the Board of Trade archives. A number of O'Gorman's despatches between Jan. and March 1825 went astray (O'Gorman to Bidwell, 28 Sept. 1825, F.O. 50/17) and the missing report was probably amongst these. The report itself is of less interest than its enclosures, and since it exists only in draft and was not received, I omit it. Duplicates of the letter here printed are in B.T. 6/52 and F.O. 203/4.

<sup>2</sup> Robert Ponsonby Staples had been appointed consul 'on the banks of the River Plate' on 16 March 1811. The Spanish government, however, declined to grant him an exequatur, and the authorities at Buenos Aires refused to recognise him on the ground that his commission was not in proper form. (Memo. respecting Mr. Staples and the consulship of Buenos Aires, F.O. 6/1; Rivadavia to Staples, 1 April 1812, F.O. 72/157). He returned to Buenos Aires in 1813, this time to procure bullion for the treasury and to prosecute certain mercantile adventures of his own. Though forbidden to assume any diplomatic or consular character, he assented to the request of the British merchants at Buenos Aires in 1816 to represent them in an official manner, and even assumed the title of consul, which he seems to have employed till an official rebuke reached him in 1819 (Staples to Hamilton, 7 Sept. 1816, F.O.

'From what information I can gather from the most intelligent merchants here, who, after a long residence on the spot, cannot fail to be perfectly informed on the subject, Acapulco has never been of much importance taken as a commercial port. The excellence of its harbour, capable of being well protected, alone gave it a preference, being considered the most eligible for the Asiatic trade, carried on by a few privileged merchants between Manilla and Mexico. For this trade they employed a large armed vessel called the Nao, of about 800 tons Spanish. One cargo of India and China goods was introduced annually and was deemed sufficient for the year's consumption. The same vessel always took back the returns, which were made in specie, a little cochineal, and sometimes copper, and during her stay, which was considerable, the port assumed some appearance of activity and bustle.<sup>1</sup>

72/189; Hamilton to Staples, 5 Jan. 1819, F.O. 72/227). He returned to England in 1820 and then proceeded to the East Indies, to Peru and to Mexico. On 10 Oct. 1823 he was appointed consul at Acapulco, but failed to go to his place of residence. Instead he negotiated a small loan for the Mexican government (he advanced the government \$1,263,701 in money, credit and tobacco), and induced the British commissioner, Lionel Hervey, to guarantee it on behalf of the British government. For this Hervey was recalled and Staples dismissed. Webster, Nos 229, 236; *Memoria sobre el estado de la Hacienda Pública*, 4 de Enero de 1825 (Mexico, 1825). [The reference in Webster, i. 445, n. 3, is not to this, but to another loan unratified by the Mexican government.]

<sup>1</sup> In the interests of Spanish monopolists the trade of the Philippines with America was restricted in 1593 to two ships a year (later there was only one, of greater size). The exports from Manila were limited to \$250,000 and the returns from New Spain to \$500,000. After considerable controversy, by Real Cédula of 8 April 1734 the value of the goods permitted to be introduced was raised to \$500,000 and the returns correspondingly increased. These amounts, however, were commonly exceeded by two or three times. Humboldt says that the tonnage of the galleon was around 1,500 tons and the value of the goods introduced amounted to \$1,500,000 or \$2,000,000. Azcaraga y Palmero, *La libertad de comercio en las Islas Filipinas*, pp 48-65; Zamora y Coronado, *Biblioteca de legislación ultramarina*, ii. 296-306; Humboldt, *Essai politique*, ii. 718-19; H. I. Priestley, *José de Galvez, visitor-general of New Spain (1765-1771)* (Berkeley, 1916), p. 307. The trade of the galleons seems to have been interfered with by the activities of the Philippine Company (*supra*, p. 236, n. 1), and as well from this as from other causes in the late eighteenth century the trade of Acapulco greatly declined. Viceroy Revillagigedo reported that no ship came in 1793 and that no fairs had been held in the two previous years. *Instrucción reservada que el conde de Revilla Gigedo, dió a su sucesor en el mando, marqués de Branciforte* [30 June 1794] (Mexico, 1831), pp. 104-5. Martínez de Zúñiga, whose work was written between 1803 and 1805, describes the commerce of Acapulco as being then in an expiring state (*Estadismo de las Islas Filipinas*, i. 275), and I am inclined

'At the most flourishing period Acapulco and its jurisdiction contained 11 to 12,000 people. It has been reduced to about half the number by the devastations committed during a series of revolutions from 1810, and the earthquake of 1820 having nearly completed the destruction of those buildings that has escaped the ravages of civil war, a scene of ruin and wretchedness presents itself in every street.<sup>1</sup>

'Since the Independence, a period of 4 years, the shipping that has entered this port does not amount to 15,000 tons, exclusive of vessels of war and whalers. No British merchant vessel has arrived direct. A few European goods have found their way from Panama and from Chili, Peru, and Colombia, when the markets there have been overstocked. In general, however, Acapulco is supplied from Mexico. A cargo of British goods of £10,000 principal would stock the market for 3 years.

'The nature of the climate will not admit of any but light clothing, and the little worn by the lower classes is of a very ordinary fabric, and they are chiefly supplied from Chilapa, a large Indian town in the interior where they manufacture in a very rude style a variety of cotton stuffs.

'The Asiatic trade is now almost entirely confined to the northern ports of San Blas and Guaymas,<sup>2</sup> where entire cargoes can be readily

to think that the glowing account of Humboldt, *op. cit.*, II. 718-19, refers to an earlier period. By decree of the Cortes of Spain on 14 Sept. 1813 the *nao de Acapulco* was ordered to be suppressed, and the merchants of the Philippines were to be allowed to trade with Acapulco and San Blas as they wished, under the restriction that the total imports into New Spain should not exceed \$500,000. *Colección de los decretos y órdenes generales*, IV. 274. The decrees of this Cortes were declared null and void, but according to E. G. Bourne the last Manila galleon actually left the Philippines in 1811 and returned in 1815. Blair and Robertson, *The Philippine Islands*, I. 66. It was not, however, till 1820 that by Real Cédula of 7 March Philippine merchants were legally permitted to trade with Callao, Guayaquil and California as well as with Acapulco and San Blas. Zamora y Coronado, *op. cit.*, I. 329-30. See also the decree of the Spanish Cortes of 9 Nov. 1820 in *Colección de los decretos*, VI. 378.

<sup>1</sup> The town was besieged by insurgents three times between 1811 and 1813, in which year it was captured by Morelos (*supra*, p. 300, n. 2). It was recaptured in 1814 by the royalists who found it in flames and abandoned. Bancroft, *History of Mexico*, IV. 578. Captain Basil Hall, who visited it soon after the earthquake, reported that it consisted of 'not more than thirty houses, with a large suburb of huts, built of reeds'. *Extracts from a journal written on the coasts of Chili, Peru and Mexico*, II. 178. Humboldt gives its population in 1803 as 4,000. *Essai politique*, I. 236.

<sup>2</sup> *Infra*, p. 337, n. 2.

disposed of, whereas in Acapulco there are only two or three men that can be classed as merchants. It would be absolutely necessary, therefore, to send a cargo to Mexico, and, besides the expence of carriage by mules, a great delay would arise from the bad state of the road, and during the rainy season (from June to November) no goods can be sent without risk of damage.

'Acapulco might become of importance as a marine depot, being well adapted for ship building, for in the neighbouring coasts there is plenty of timber, the port of Ziguantanejo,<sup>1</sup> about 60 leagues to the northward, supplying excellent oak, and Puerto Escondido, 90 leagues to the southward, spars for masts etc.'

<sup>1</sup> Sihuatanejo.

## XVI. MEXICO (SAN BLAS)

[F.O. 50/17.]

Eustace Barron <sup>1</sup> to [George Canning].

No. 2.

Tepic, 1 January 1825.

In compliance with the tenor of my instructions, I have the honor to submit to you the following remarks respecting the trade of this part of the American coast. I trust the short retrospective view I have taken will not be considered intrusive, and that it may in some measure tend to explain the causes that have led to the disadvantages and difficulties actually experienced.

The trade on the West Coast of South America was chiefly carried on from Manila for Asiatic and China goods,<sup>2</sup> and from Panama for British manufactures. Other articles of a more bulky nature came monthly from Spain round Cape Horn. I cannot at present ascertain the probable amount of this commerce, but it was to a considerable extent, particularly so during the few years that British manufactures were allowed to be introduced from Jamaica by way of Panama.<sup>3</sup>

<sup>1</sup> Appointed vice-consul for San Blas by R. P. Staples (*supra*, p. 331, n. 2) on 2 June 1824. It had already been decided to transfer the consulate of Acapulco to San Blas in view of the declining importance of the one and the rising trade of the other. But Barron remained a vice-consul till 30 Jan. 1849 when he became consul for San Blas and Tepic. He returned to England on leave of absence in May 1857 and resigned his post in May 1861. There is a duplicate of this report in B.T. 6/40, and another, addressed to Consul-General O'Gorman, in F.O. 203/4.

<sup>2</sup> *Supra*, p. 236, n. 1; p. 332, n. 1.

<sup>3</sup> *Supra*, pp. 111, 186, 241, 256, 284; *infra*, p. 337, n. 2. The ports of Panama had been opened to trade with neutral powers in 1808. C. E. Chapman, *Catalogue of materials in the Archivo General de Indias for the history of the Pacific Coast and the American Southwest* (Berkeley, 1919), p. 699. On the trade between Panama, Portobello, and the British West Indies from 1813 to 1815 see *ibid.*, pp. 703, 705, 708.

The nature of the trade from Manila to San Blas, Acapulco, and indeed to all South America, was such as to enhance the prices excessively,<sup>1</sup> and which has been in latter times so characteristic of Spanish commercial policy, particularly with regard to their colonies.

On projecting a voyage to South America in Manila, a large ship was procured, or rather the owners of this ship were the projectors of the voyage; then almost the whole mercantile part of the island immediately interested themselves according to the means and credit they possessed, and thus the quantity of tonnage was portioned out: those adventurers who had not sufficient means to go into market borrowed money on *respondentia* for the purchase of the goods necessary to fill up their tonnage. This money was chiefly lent by the religious houses (*cofradías*) in the island, who possessed funds to a very large amount, and who had only this method, or at least found it the best, to secure an advantageous revenue. The terms for the loan on these occasions were from 25 to 35 per cent. payable on the return of the ships,<sup>2</sup> for which reasons those vessels always remained on this coast of America until they had realised the sales of their cargoes. This generally was no short period, for in addition to the habitual deliberation which distinguishes the character of a Spanish trader, prices were so enhanced, and their accustomed gains so enormous, that the consumption was consequently very limited, and it not unfrequently happened that three and even four years were elapsed before they could accomplish the voyage. The freight on those occasions was also extravagantly high, being no less than 40 dollars per bale.

A great proportion of this trade in Asiatic goods consisted and still consists in a species of coarse cotton cloth called 'sanahs', and 'bafitas', and in India generally called 'cotton piece goods'.

<sup>1</sup> 'La regla general para hacer una feria regular', wrote Martínez de Zúñiga of the prices at the fair of Acapulco, 'es vender un 300 por 100 más caro que lo que se compró pero esto acaso no sucederá jamás.' *Estadismo de las Islas Filipinas*, i. 269.

<sup>2</sup> *Supra*, p. 332. The ship belonged to the crown. Its capacity was measured according to the number of bales of a certain size that it could hold. Tickets were then issued giving the right to ship. Speculators were in the habit of buying up these tickets, borrowing money to do so from the religious confraternities who thus utilised the '*obras pías*' committed to their charge, and levied 25 or 30 p.c. interest. Martínez de Zúñiga, *op. cit.*, i. 254-5, 267-9; G. H. J. Le Gentil, *Voyage dans les Mers de l'Inde* (2 vols., Paris, 1779-81), ii. 203-8; Humboldt, *Essai politique*, ii. 719; Blair and Robertson, *The Philippine Islands*, i. 63-5.



Each piece of these goods of nearly 18 yards costs in Calcutta about two Spanish dollars. This piece of goods after passing through all this ordeal of sales and resales, freights, commissions, respondentias and profits, must be sold in South America at least for ten dollars in order to pay all charges [and] often sold for 15 and even as high as 20 dollars.

British goods introduced by way of Panama were not enhanced to such a degree. The English merchants in Jamaica were in the habit of selling to Spanish merchants who resorted there from all parts of South America,<sup>1</sup> but more so from Panama, at moderate prices, receiving a part of the payment in ready money and giving credit for the remainder until they could receive the produce of the sales. The freight of goods from thence was also moderate, but the moment they were fanned by the breeze of the Spanish American coast, or at least touched the American soil, the never-ending and unbounded charges incident to those colonies immediately commenced. Duties were levied on them not only at Panama, but again on their introduction into any other port where they were carried for sale. The freight from Panama to San Blas in Spanish vessels was at the rate of about £25 to £28 per ton.<sup>2</sup> These charges together with the great profits they were accustomed to, and delayed sales, tended to make the prices of English goods also very high, and the consumption consequently limited.

The other articles which usually came round Cape Horn in Spanish vessels, such as brandy, wines, paper, wax, iron, steel, quicksilver, French and German linens, came on more advantageous terms, but the high rate of freights, arising from the total want of economy inseparable from all Spanish maritime operations, added to the high rate of profits from want of competition, made these goods also be sold at enormous rates,<sup>3</sup> so that upon the whole the trade

<sup>1</sup> *Supra*, pp. 256-7.

<sup>2</sup> San Blas was permitted to share in inter-colonial trade by the royal order of 2 May 1796. *D.H.A.*, vii, 113. Lerdo de Tejada, *Comercio exterior*, p. 21, cites orders of 1793, 1794, 1795 and 1818 permitting a direct trade between San Blas and Spain. The commandant of Nueva Galicia in 1813 opened the port to ships from Panama, and fostered trade with the West Indies via Panama and with China. Alamán, *Historia de Méjico*, iii, 500; iv, 472-4; Bancroft, *History of Mexico*, iv, 537. For the opening of the port by the Mexican authorities see *supra*, p. 302, n. 3.

<sup>3</sup> In the late eighteenth century goods introduced into New Spain paid 36½ p.c. in duties, and further consumption duties raised the rate to 75 p.c. Lerdo de Tejada, *op. cit.*, p. 23.

of South America was carried on to such a disadvantage that the state in which the merchants of other countries found these colonies is not to be wondered at. The high prices naturally induced them on the first opening of the ports to embark largely in speculations, and some of the first essays proved extremely profitable to the adventurers.

This trade might have continued to be of immense advantage to Great Britain and to the advancement of the civilization and riches of South America had the new independent states adopted a more liberal policy with respect to commerce, but unfortunately the very reverse of this has happened. The new and various governments have all agreed in their outset in this one proposition 'That foreign trade is ruinous to their internal interests and prosperity, and that it is more advantageous to the inhabitants and to the revenue to charge duties on foreign goods to the utmost rate that can possibly be exacted without being altogether prohibitory'.

In the Mexican government this has been carried to a much greater extent than in any of the other new independent states. A tariff regulated by the old monopoly prices, without any regard to the actual prices of the day, has been formed in which the duties are charged, and on these imaginary prices a duty of about 48 per cent.,<sup>1</sup> which in many cases equals it to 200 per cent. on the invoice cost of the articles introduced.

It would at first sight appear that this would operate as a prohibitory duty, and certainly so it would in any other country, but the habit of buying goods, as I have before stated, at the enhanced prices caused by Spanish operations, makes the consumers still continue to furnish themselves with a scanty supply, even at prices nearly sufficient to pay these enormous duties, but as the quantities now pouring in from India and England have already created an oversupply and will very soon cause a complete glut,<sup>2</sup> prices must give way from the inability of the merchants to hold their goods,<sup>3</sup> or from the prospect of the impossibility to expend such quantities,

<sup>1</sup> Cf. *supra*. pp. 322-5. The chief duties were importation 25 p.c.; *internación* 15 p.c.; *consumo* 3 p.c.; together with *consulado* and other smaller items. Ward, *Mexico in 1827*, i. 462; Macedo, *La evolución mercantil*, pp. 64-5.

<sup>2</sup> For British imports into Mexico see *infra*, pp. 344ff.

<sup>3</sup> By 1826 it was reported that British goods were being sold at an average loss of 30 p.c. on their invoice prices. C. Dashwood to Canning, 20 Aug. 1826, F.O. 50/28. Cf. Ward, *op. cit.*, i. 463.

and I have no doubt much ruin will ensue to British subjects and others introducing goods into these countries unless the Mexican government extensively amends its present system.

Another evil is added to this, which is that those in office have been bred under the Spanish government and have been taught to look upon every stranger entering this country with jealousy and even horror as a smuggler and a heretic. This early impression has engendered a sentiment amounting to superstition, and the authorities look upon every foreign vessel entering the port as an interloper, and put all kinds of vexatious difficulties and restrictions on their free intercourse with the shore that a fertile invention could suggest to those bred to practice every sort of chicanery, and to involve every thing in mystery. Hence the constant embarrassments and delays experienced by all vessels discharging in those ports.

The ill defined power of the Commandant or Governor and that of the Custom House officers is another no small inconvenience. In former times when the government was absolute their subordinate officers were likewise so in their districts, and the Commandant of every maritime port was a petty despot who ruled according to the dictates of his own caprice. The effects of this system still exist and although the Government is theoretically republican, the practice of its agents is fully as despotic as formerly, with this only difference, that in the old system every one obeyed without resistance well knowing the danger of resisting, now some of the petty authorities question the power and resist the will of their superiors. This clashing has only the effect of creating confusion and eternal paper wars, and those who have to do with them are the sufferers. This particularly happens between the Commandant and the Custom House, and hence merchant ships are subjected to a thousand embarrassments caused by those litigants barely for the purpose of thwarting each others measures.

The power lately assumed by the Governor of San Blas, in the case of the Bengal ship 'New Carmo' is a proof of the length to which the authorities will proceed.

It is well known that the Commandant gave the captain of that vessel leave to repair the damages she had sustained during her voyage, and that two days after such leave being granted, he demanded the rudder to be taken off and deposited together with the sails on shore. On the captain's refusing to comply, he actually sent a hostile armament to enforce the order, which had

to be resisted by force on the part of the captain. This case, on being referred by me to the general government,<sup>1</sup> did not meet with that prompt remedy which was to be expected, and in few instances to my knowledge has the government shown a disposition to amend this despotic conduct in their inferior officers.

All this applies perhaps much more to this district than to any other of the Mexican territory, because it is more distant from the seat of government, and consequently the lesser authorities take more liberties, than if they were more immediately under the eye of the general government, but certain it is that the difficulties and embarrassments thrown in the way at the port of San Blas would be incredible to one not accustomed to the trade of South America.

The actual trade between the ports of the western coast of Mexico and the British colonies in India is considerable [in] extent, and under a more moderate rate of duties and proper regulations would be of very great importance. The cheapness of coarse cotton manufactures, and their fitness for the consumption of this country, gives them a decided preference to any other, and the quantities that have been actually introduced and sold under the most disadvantageous circumstances of enormous duties and vexatious restrictions prove the extent to which this commerce might arrive under other circumstances.<sup>2</sup>

I have not at present the means of ascertaining the actual quantities imported of late years nor the value, but from the expectation held out by the opening of the ports, and the impulse given, considerable quantities continue to arrive. Of this the government has taken a very undue advantage by constantly augmenting the duties, without giving any time for the same to take effect as is usual on such occasions. Vessels, therefore, that have sailed under the impression that they had to pay a certain duty have found on their arrival at the port one entirely different, and even after their arrival and discharge of their cargoes, other additional duties have been imposed on them, without their having the option either of withdrawing their goods or of avoiding the payment.

The importation of British goods has hitherto been chiefly from

<sup>1</sup> The *New Carmo* was on a voyage from Calcutta to Mazatlán and put in at San Blas to repair damages. The Commandant's excuse for his action was suspicion of contraband. See the papers enclosed in O'Gorman to Planta, 21 Jan. 1825 (Draft), F.O. 203/4.

<sup>2</sup> The value of East India and English cotton goods imported at San Blas during 1823 and 1824 is given by Barron as \$1,000,000. Barron to Foreign Office, 1 Jan. 1825, F.O. 50/17.

the ports of Chili and Perú, or by British vessels calling at those places and forwarded with part of their cargoes by order of the consignees established in those countries. No vessel since the opening of the port of San Blas has as yet arrived direct from England.

I am also unable to fix the amount of British goods. The annexed sketch is the nearest approximation I can procure.<sup>1</sup> Last year the importations were considerable, and had not so many difficulties been put in the way this port promised fair to be of great importance.

Amongst the number of very absurd regulations which at present exist at this port, and one that may be considered a great grievance, is that which obliges all vessels touching here to give in a manifest of their cargoes even to the number of yards, and to declare within forty eight hours after their arrival whether or not they mean to discharge any part of their cargo, and if any part thereof is destined for this port, it is provided and enforced, that if once they break bulk, the whole cargo must be discharged and deposited in the Custom House, even if it were destined to the next port or any other place whatever. Thus a vessel having on board a general cargo destined for the different ports on the coast must, on calling at the first of discharge, put the entire cargo on shore and this even if she declares being ready to proceed with what remains on her destination.

It therefore generally happens that goods are brought a considerable distance in boats from vessels in the roadstead, exposed to damage from salt water, landed, and carried upwards of one mile to be deposited in the Custom House and returned on board perhaps the next day.

The trade on this coast is very different to that of most other countries with regard to land carriage, the different inland towns are difficult of access, the roads are not adapted to facilitate the communication of one district with another, and at great distances from the sea. It therefore follows that it is absolutely necessary to divide the cargoes amongst the various ports on the coast in order to approximate the capital towns, which from any one point

<sup>1</sup> Cited *supra*, p. 340, n. 2. By returns in B.T. 6/40, 10 British vessels cleared from the port in 1824 and 4 American, with specie to the value of \$1,637,000. In the half year ending 30 June 1825, 5 British vessels entered with cargoes to the value of \$361,000 and 4 American with cargoes valued at \$100,000.

would be very expensive and in many cases impossible. This regulation, therefore, of obliging vessels to discharge and reload their cargoes at every port is extremely inconvenient and ruinous, not only in regard to the expence and delay it creates, but also to the destruction many kinds of goods must suffer by such operations.<sup>1</sup>

It does not behove me, nor is it my intention to propose a remedy for the existing evils. It is said that Buenos Ayres, after a lapse of nearly twenty years, has adopted a more liberal system,<sup>2</sup> and perhaps this country may in the course of time amend. If, however, any means could be adopted to facilitate this amendment it would be of infinite importance to Great Britain, because if this immense country was governed by an enlightened and liberal policy its capabilities are infinitely superior to any other of the American states. I cannot help presuming to think that the character of the inhabitants of this country, as also that of their leaders, has been often misconceived. It has been thought that forbearance and indulgence were the means most appropriate to use towards them, and that it was better to overlook any insult or extravagant pretensions on their part, as one would do to that of children, and by those means to gain their good will and affection. This, however, has generally failed to have that effect.

Every one who has lived in South America since the commencement of the revolution well knows in what light they consider the British nation, and in what manner they interpret her policy, and in regard to her merchants, they consider them as interlopers and monopolists who come to deprive their artizans of their daily bread and their traders of their gains. They believe this country will be ruined by the introduction of articles of necessity and luxury and that they are impoverished by the extraction of the precious metals, which they consider as the only thing of real value. With these prepossessions strong in the breasts of all the inhabitants of these countries, it cannot be a matter of surprise that so little advancement has been made in their commercial progress and that strangers have hitherto encountered so many difficulties.

<sup>1</sup> Cf. Ward, *op. cit.*, i. 464.

<sup>2</sup> *Supra*, p. 53.

## APPENDICES

# APPENDIX

## A. EXPORTS IN POUNDS STERLING OF BRITISH AND IRISH

	1812	1814		1815	
		Official	Real	Official	Real
States of—					
Río de la Plata					
Buenos Aires	369,123	439,791	476,653	421,418	399,025
Montevideo	223	1,795	2,483		
Brazil	2,003,253	1,612,166	1,910,845	1,706,350	1,896,064
Chile					
Colombia					
Caracas	69,269	843	1,272		
Cartagena		2,581	3,502		
Cumaná					
Guayaquil					
Maracaibo					
Porto Bello		28,127	34,940		
Puerto Cabello	9,314				
Santa Marta					
Cuba	58,921	173,307	241,055	140,613	173,814
Guatemala					
Haiti or San Domingo	15,109	299,870	307,747	209,472	198,466
Mexico					
California					
Vera Cruz					
Peru					
Arica					
Lima	23	8,895	10,060		
Porto Rico		3	5		



## I

## GOODS FROM GREAT BRITAIN TO LATIN AMERICA, 1812-1830

1816		1817		1818	
Official	Real	Official	Real	Official	Real
326,743	311,658	652,154 488	548,689 604	663,517 10,403	730,908 7,290
1,828,418	1,824,265	2,268,906	2,034,696	3,159,897	3,180,642
		28,888	37,030	14,198	16,454
123,991	153,025	260,868	281,739	197,739	154,244
261,690	224,106	438,976	329,813	407,428	514,761
				46,611	34,467
1,426	1,828			2,701	3,149

## A. EXPORTS IN POUNDS STERLING OF BRITISH AND IRISH GOODS FROM

	1819		1820		1821	
	Official	Real	Official	Real	Official	Real
States of Río de la Plata Buenos Aires Montevideo	349,299 11,012	379,095 10,792	672,628 44,696	592,492 37,811	602,063 31,826	560,276 30,755
Brazil	1,864,309	1,937,331	2,232,287	2,099,396	2,114,329	1,857,006
Chile	16,216	21,857	126,388	149,879	362,771	346,528
Colombia Caracas Cartagena Cumaná Guayaquil Maracaibo Porto Bello Puerto Cabello Santa Marta	10	10	682	766		
Cuba	119,004	153,173	124,596	169,038	108,957	139,515
Guatemala						
Haiti or San Domingo	225,742	209,210	447,001	347,889	543,159	372,328
Mexico California Vera Cruz	26,248	20,559			839	1,076
Peru Anca Lima	5	30	38,051	39,322	31,226 84,508	41,169 86,329
Porto Rico	12,742	10,101	9,569	5,921	387	" 330

## APPENDIX I

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GREAT BRITAIN TO LATIN AMERICA, 1812-1830—*continued*

1822		1823		1824	
Official	Real	Official	Real	Official	Real
1,129,256 102,994	890,705 90,342	750,132 27,547	639,780 24,646	1,502,705 47,688	1,104,499 37,421
1,919,496	1,523,812	3,357,173	2,415,077	3,656,319	2,589,863
443,580	389,186	471,728	383,752	885,386	713,083
				387,050	297,394
41,307 11,688	28,892 9,817	197,341 65,750	120,702 54,873		
		894	840		
33,580	25,262				
		21,388	24,499		
193,497	185,548	370,239	310,553	422,738	352,991
385,194	269,191	565,652	349,119	717,785	432,567
				480,477	391,997
88,250	87,329	353,784	263,475		
92,176 General 1,118	111,509 980	399,450	288,296	596,098	430,950
		13	21		

## A. EXPORTS IN POUNDS STERLING OF BRITISH AND IRISH GOODS FROM

	1825		1826		1827	
	Official	Real	Official	Real	Official	Real
States of Río de la Plata Buenos Aires Montevideo	910,538 57,777	794,760 55,160	291,766 123,817	278,423 92,694	222,590	154,895
Brazil	4,116,130	2,941,373	2,556,140	1,707,729	3,757,014	2,308,084
Chile	617,326	525,450	297,885	241,131	558,752	400,134
Colombia	605,405	450,975	293,205	204,598	399,903	213,972
Cuba	181,833	153,433	309,260	251,539	519,400	378,768
Guatemala	1,068	1,238			1,525	1,943
Haiti or San Domingo	784,415	457,530	278,590	142,594	521,462	257,931
Mexico	1,160,770	1,042,678	610,156	471,285	1,157,041	692,800
Peru	737,798	602,770	190,505	199,087	287,173	228,466
Porto Rico	5,019	4,966	4,895	5,376	328	470

This table has been compiled from Customs 8/1 to 8/32. The 'official' values represent calculations based on old and obsolete valuations. The 'real' values represent calculations based on declarations by the exporters. The records for 1813 were destroyed by fire. Customs 17/28 and 17/29 give the following figures in pounds sterling for the exports of British and foreign goods in 1806 and 1807 :—

## APPENDIX I

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GREAT BRITAIN TO LATIN AMERICA, 1812-1830—*continued*

1828		1829		1830	
Official	Real	Official	Real	Official	Real
477,115	312,390	1,289,656	758,540	1,067,884	632,172
6,005,902	3,517,577	4,566,010	2,516,040	4,270,749	2,452,103
1,134,775	709,371	1,375,743	818,950	835,566	540,626
540,793	261,113	499,815	232,703	427,718	216,751
355,936	270,444	592,931	371,618	550,230	371,670
10,076	6,191				
511,097	248,328	677,527	292,161	822,076	321,793
438,497	307,029	520,402	303,426	1,574,411	978,441
464,401	374,615	376,553	300,171	513,895	368,469
359	597	8,999	8,310	523	745

	1806		1807	
	British	Foreign	British	Foreign
Buenos Aires	881,451	92,639	23,469	5,704
Montevideo	40,567	10,893	153,905	25,973
Brazil	1,161	3,366	20,900	1,513
Mexico	9,322	9,400	63,914	3,704
Peru	103,618	9,135	119,010	6,734

## B. EXPORTS IN POUNDS STERLING OF FOREIGN AND COLONIAL

	1812	1814	1815	1816	1817	1818	1819	1820
States of— Río de la Plata								
Buenos Aires	35,097	18,361	7,887	11,674	12,981	16,385	10,097	12,809
Montevideo	520	101					744	629
Brazil		92,726	40,172	20,039	15,662	31,724	32,007	46,098
Chile					3,910	2,620	1,485	18,025
Colombia								
Caracas	6,935	4,700	729					
Cartagena				33				
Cumaná								356
La Guaira	278							
Maracaibo		5,662						
Porto Bello								
Santa Marta								
Cuba	4,536	30,074	10,632	10,742	4,899	7,957	5,623	4,968
Guatemala								
Haiti or San Domingo			18,155	11,177		7,287	9,360	13,151
Mexico								
California						65,988	10,519	
Vera Cruz								
Peru								
Arica								
Lima	27	615		4		12		111
Porto Rico							2,512	5,141

This table is compiled from

## APPENDIX I

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## MERCHANDISE FROM GREAT BRITAIN TO LATIN AMERICA, 1812-1830

1821	1822	1823	1824	1825	1826	1827	1828	1829	1830
						8,249	7,249	17,338	12,680
37,059 170	32,509 1,573	25,526 32	31,021 361	27,504 1,288	3,911 2,407				
21,718	55,064	68,152	93,724	80,743	37,591	65,473	99,819	76,314	45,458
15,138	19,264	17,876	38,038	27,924	17,936	40,432	47,366	12,956	23,094
			38,135	45,698	27,155	12,963	16,168	12,879	5,854
	1,237 220	439 11,646							
	1,544								
		8,164							
3,933	2,463	5,759	12,167	23,777	8,931	6,502	6,963	17,335	6,155
				297		602	417		
13,605	8,817	17,720	20,807	21,717	13,474	8,679	4,713	6,444	9,880
759			75,037	248,586	58,260	71,000	95,883	124,124	320,407
	4,276	11,409							
3,534 35,782			25,572	43,699	20,362	19,495	54,472	13,176	15,570
	5,050	9,423							
				85	153		400	42	192

Customs 10/4 to 10/21.

## APPENDIX II

### NOTE ON SPANISH COMMERCIAL REFORMS IN THE EIGHTEENTH CENTURY

At the beginning of the eighteenth century commerce between Spain and her colonies was still confined to a single port of entry and clearance in Spain, and to four ports in the Indies—Havana, Cartagena, Porto Bello, and Vera Cruz. *Avisos*, or postal ships, and *navios de registro suelto*, specially licensed 'register ships', occasionally sailed to these and other ports, and were increasingly employed in the eighteenth century. But in the main the commerce of the Indies was limited to a few thousand tons divided between the galleons which sailed to *Tierra Firme* and the *flotas* which sailed to New Spain. At Cartagena the galleons disposed of a portion of their cargoes, and from here news of their arrival was sent on to Porto Bello and Lima. The *armada del sur* then sailed from Callao to Panama with the treasures of Peru. The goods were transported across the isthmus to Porto Bello where the galleons had already arrived, and all was in readiness for one of the world's greatest fairs held in one of the world's most pestilential spots. The fair of Porto Bello was the source of supply by way of Panama not only for Lima, but for the whole of Central and South America. Buenos Aires and Chile in consequence suffered the ill-effects of a monopoly exercised in the interests not only of Spain, but of the Seville and Lima merchants.<sup>1</sup>

Whatever might have been said for the system of convoyed fleets in earlier days, by the eighteenth century it had outlived its usefulness and was dying a natural death. The tonnage of the *flotas* and galleons, once as much as 12,500 and 15,000 tons respectively, was now reduced to just over 3,000 and just under 2,000 tons. Sailings were highly irregular. Galleons only sailed four times between 1721 and 1737 and the last of these was a complete failure, since the markets were found to be already overstocked. The contrabandist and the interloper had reaped the profits which should have gone to Spain.<sup>2</sup> Sheer necessity demanded that Spain overhaul the system which had so long prevailed. Urged on by the voice of her economists and by the far from disinterested suggestions of her ally, France, she carried out a commercial reformation which amounted to little less than a revolution.

Apart from the effects of the *asiento* of 26 March 1713,<sup>3</sup> the first great breach in the old closed system came in 1740 when the *flotas* and galleons

<sup>1</sup> *Supra*, p. 28, n. 2; p. 255, n. 4.    <sup>2</sup> *Supra*, p. 111, n. 2; p. 256.

<sup>3</sup> *Supra*, p. 256.



were abolished, and by the permission accorded to register ships to sail round Cape Horn, the natural trade routes of the Indies were for the first time opened up.<sup>1</sup> The *flotas* were re-established in 1754 and dragged on a precarious existence till 1776. But in 1765 came the second great innovation. By decree of 16 October 1765 nine Spanish ports—Cádiz, Sevilla, Alicante, Cartagena, Málaga, Barcelona, Santander, Coruña and Gijón—were permitted to trade with Cuba, Santo Domingo, Puerto Rico, Margarita, and Trinidad. At the same time the tonnage dues and other charges were reduced.<sup>2</sup> The privileges accorded to these islands were extended to Louisiana on 23 March 1768,<sup>3</sup> to Yucatán and Campeche on 5 July 1770,<sup>4</sup> and to Buenos Aires on 2 February 1778,<sup>5</sup> though the local authorities at Buenos Aires had already opened the port in the previous year.<sup>6</sup> Finally, by the great *Reglamento y Aranceles Reales para el Comercio Libre de España a Indias* of 12 October 1778, all the more important South and Central American ports, including Valparaíso, Concepción, Arica, Callao and Guayaquil, were opened to trade with the qualified ports in Spain. Two more Spanish ports—Almería and Alcaques de Tortosa—were opened, together with Palma and Santa Cruz de Tenerife. Twenty-four Spanish American ports by this decree were authorised to trade with eleven Spanish and two in the Canaries and Balearics.<sup>7</sup> No port in New Spain was opened by this decree. But the effects were immediate and profound. The volume of trade between Spain and her colonies between 1753 and 1783 more than doubled,<sup>8</sup> and the foundations were laid of the future social and economic evolution of Buenos Aires.<sup>9</sup>

Further opening up of the continent was facilitated by the establishment of mail-services from Coruña, and by the removal of some of the restrictions that had hitherto clogged inter-colonial trade. A monthly mail-service was established to Havana in 1764, with connections to Mexico, the Islands and *Tierra Firme*.<sup>10</sup> A tri-monthly service was extended to Buenos Aires in 1767, the mail ships carrying goods as well as mail.<sup>11</sup> By decree of 20 January 1774 Peru, New Spain, New Granada, and Guatemala were permitted to interchange their own products with comparative freedom through specified ports,<sup>12</sup> and this permission was accorded to Buenos Aires on 10 July 1776.<sup>13</sup> Other ports were opened for this purpose in later years—Realejo and Sonsonate on 20 February 1796, San Blas on 2 May 1796—and permission for direct trade with Spain was further extended.

<sup>1</sup> *Supra*, p. III.

<sup>2</sup> *D.H.A.*, v. 197, 434.

<sup>3</sup> *Ibid.*, v. 219.

<sup>4</sup> *Ibid.*, v. 249.

<sup>5</sup> *Ibid.*, v. 401.

<sup>6</sup> *Supra*, p. 28, n. 2.

<sup>7</sup> *D.H.A.*, vi. 3.

<sup>8</sup> *Ibid.*, vol. v, p. xxxix.

<sup>9</sup> *Supra*, p. 29, n. 2.

<sup>10</sup> *D.H.A.*, v. 172, 187, 189.

<sup>11</sup> *Ibid.*, v. 204.

<sup>12</sup> *Ibid.*, v. 306.

<sup>13</sup> *Ibid.*, v. 373.

<sup>14</sup> *Ibid.*, vii. 113; Zamora y Coronado, *Biblioteca de legislación ultramarina*, II. 302, n. 1.

## APPENDIX III

### A. LIST OF MANUSCRIPTS CITED

[The numbers refer to classes, not volumes]

Great Britain, Public Record Office.

Foreign Office Records.

F.O. 6.	Argentine Republic.
F.O. 15.	Central America.
F.O. 16.	Chile.
F.O. 18.	Colombia.
F.O. 50.	Mexico.
F.O. 51.	Montevideo.
F.O. 61.	Peru.
F.O. 72.	Spain.

Legation Archives.

F.O. 118.	Argentine Republic. Correspondence.
F.O. 119.	Argentine Republic. Letter Books.
F.O. 203.	Mexico. Correspondence.

Woodbine Parish Papers.

F.O. 354.

Board of Trade Records.

B.T. 6.                      Miscellanea.

War Office Records.

W.O. 1.                      America and West Indies.

Customs Records.

Customs 8.	Ledgers of exports of British and Irish goods.
Customs 10.	Ledgers of exports of foreign and colonial merchandise.
Customs 17.	States of Navigation, Commerce, and Revenue.

### B. LIST OF REFERENCES

This list is in no sense a bibliography. It consists merely of works that have been cited more than once, and is printed for convenience of reference. Where a work has been cited once, and once only, full bibliographical details are given in the citation. A more general bibliography exists in B. Sánchez Alonso, *Fuentes de la historia española e hispano americana* (2nd edn., 2 vols.,

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